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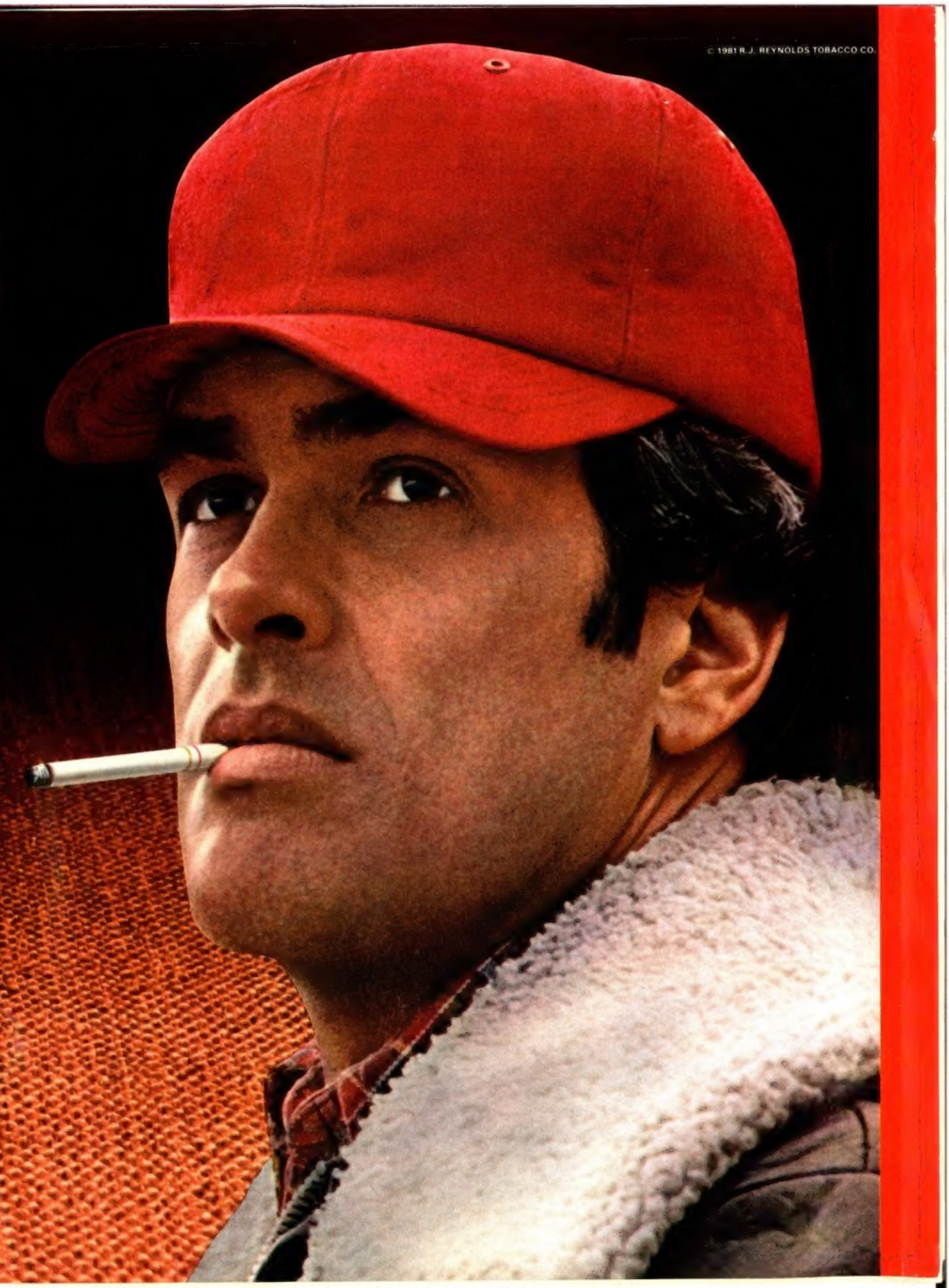
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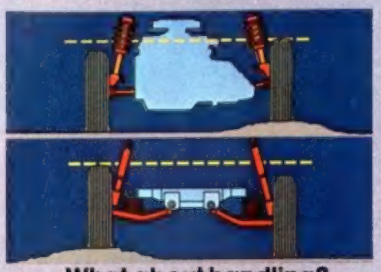

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FEBRUARY 2, 1981 Vol. 117 No. 5 **TIME** THE WEEKLY NEWSMAGAZINE

A Letter from the Publisher

As the Inauguration of the nation's 40th President and the long-awaited release of the American hostages in Iran coincided last week, TIME's Washington bureau was faced with the task of covering two major news events simultaneously. "This was a remarkable week for us," says Washington Bureau Chief Robert Ajemian. "Two Presidents coping with high drama, the absolute splendor of an Inauguration eclipsed, if that is possible, by the tension and thrill of the hostage release." Like a general fighting a war on two fronts, Ajemian had to move quickly to deploy correspondents where they were most needed. White House Correspondent Laurence Barrett stayed with President-elect Reagan while Correspondent Neil MacNeil headed up a team assigned to cover the Inaugural speech and ceremony. When word came that the hostages were finally free, News Editor Dean Fischer coordinated long-standing plans to gather information on the hostages and their families. Reporter Susan Schindehette was with the family of former Hostage Gary Lee when his call came through from Wiesbaden, West Germany. Schindehette recorded the family's reaction and then spoke to Lee, becoming one of the first journalists to interview a hostage.

DIRCK HALSTEAD

Fischer and Ajemian in Washington

Correspondent Johanna McGeary went with Jimmy Carter from Washington to Plains, Ga., where in a moment of high emotion he made his own announcement that the 52 Americans were finally out of Iran. Says she: "It was the most dramatic end of a presidential term any of us expected to see."

Back in Washington, Barrett donned a black tie and joined the small group of journalists who were allowed to accompany the Reagans to all ten Inaugural Balls. The next morning, as Reagan began his new job, Barrett was busy keeping track of the announcements and executive orders already coming from the Oval Office. Says Barrett: "It is important to dig out what the President is saying in Cabinet meetings, how his senior staff is operating, whether there are differences in nuance between what Reagan promised as a candidate and what he is doing during his very first days." Adds Ajemian: "The look and style of the new Administration was a substantial story in itself. Reagan looks good on the job, easy, imposing, but the image is still blurred. Carter always told too much of what he knew; Reagan has told very little."

John a. Meyer

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Cover: Illustration by Burt Silverman.

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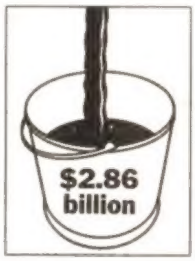

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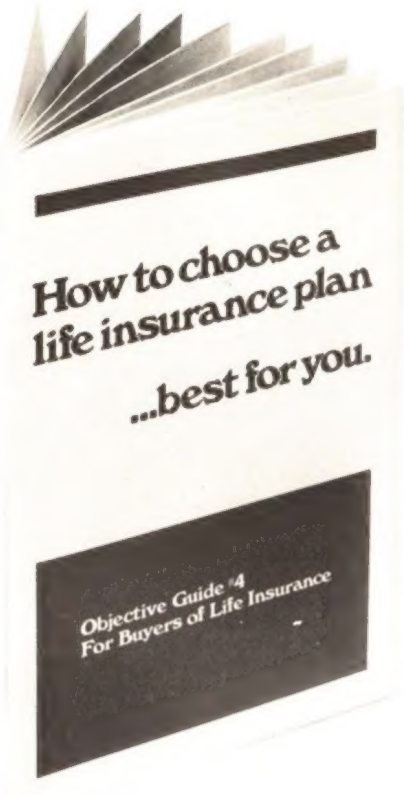

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Letters

Space Shuttle

To the Editors:

With the launching of the space shuttle this year [Jan. 12], Americans will once again be migrating to a new frontier. As in California more than a century ago, the colonization of space offers the same hope for new resources, new industry and a renewed sense of national spirit.

William N. Ellis
Huron, Ohio

When you described the space shuttle, you were blind to its most poetic resemblance. It looks like the Taj Mahal.

Leslie Riley Cannon
Cincinnati

Some people loudly object to NASA and the shuttle, saying the money should be spent elsewhere. From the beginning of the manned space program in the late '50s until the end of Project Skylab in 1979, NASA spent approximately $60 billion. This sounds like a lot until one considers that today $60 billion would last four months in the Department of Health and Human Services.

Kenneth P. Myers
Houston

The U.S. space-shuttle program is fascinating, but it also calls to mind the adage: In the land of the blind, the one-eyed is king. Little wonder that the Soviet Union should be so eager to get its own project off the ground. For the rest of us, the prospect of two purblind princelings contending high above for the throne of the kingdom is terrifying.

John Beattie
Foix, France

I find it deplorable but typical that the Government would shortchange the space program in favor of the welfare system or Chrysler Corp., thus allowing other countries to surpass us in developing space technology.

Edward B. Marsh
Ipswich, Mass.

Reagan's Ranch

Ronald Reagan's love of the wildness at his Rancho del Cielo and his designation of James Watt as Secretary of the Interior represent a Jekyll-and-Hyde personality [Jan. 5]. How would Reagan feel if his "ranch in the sky" were sacrificed to the drillers, diggers and scrapers as an insignificant contribution to a short-term energy solution?

Robert Carlyle Day
Martelle, Iowa

Sunbelt *vs.* Snowbelt

The proposal to help the urban poor to migrate to the Sunbelt [Jan. 12] could be the Snowbelt's blessing in disguise. If Chairman William McGill's commission can create an efficient and economical enticement for all the poor of the Northeast to migrate to the Sunbelt, where the work is, perhaps the urban communities of the North can survive after all.

John Mitchell
Glen Cove, N.Y.

No one section of the U.S. has a monopoly on where people live, work and play, but the migration pattern clearly indicates a preference for the Sunbelt. It is people who need assistance, not the supercities and their satellites.

Lawrence W. Hester
Cookeville, Tenn.

Having lived in the Sunbelt and the Snowbelt, I think one has as much to offer as the other. If U.S. resources can't meet demands in the North, how can they in the South and West? It takes energy to air-condition as well as to heat. Not everybody can live in the South. Nor does everybody want to. What the North lacks in January, it makes up for in June.

Regina P. Hickey
Menomonie, Wis.

Second Opinions

In your article on the pros and cons of two medical opinions [Jan. 5], you did not mention that these second opinions can also be lifesavers. For example, a woman was told she had an ovarian cyst that could be operated on any time. Another doctor diagnosed it as an advanced cancer of the colon and advised emergency surgery.

Kristine Maish
Corona del Mar, Calif.

The purpose of a second opinion should be to protect the patient against a possible error in judgment by the first physician. Thus the value of two opinions lies not only in reducing unnecessary surgery but in increasing necessary surgery. To think of second opinions strictly as a way to cut down on operations is illogical.

Kathleen Karpenter Dietrich
Southgate, Ky.

Minister Malpractice

Malpractice suits against ministers? Why not [Jan. 12]? Surely, it is the next logical step for an increasingly litigious society that has decided to bypass old-fashioned dialogue, communication and reasonable negotiation.

But what has happened to the legal profession that accepts such cases, and the judicial system that hears such suits?

William R. Tipper
Jamesburg, N.J.

Why shouldn't clergymen be responsible for what they say? I was a child victim of a faith-healing church and was prevented from receiving medical help when my left leg was severely burned. Thirty years later I am still trying to repair the damage. If medical doctors are legally responsible for their deeds, why not the clergy?

Paul Michener
Waynesville, Ohio

No Offers

In your Press story about the families of the American hostages [Dec. 1], you reported that the Boston *Globe* had made offers to the daughter of a hostage to pay for her flight to Germany. The statement is not true.

John S. Driscoll, Managing Editor
Boston Globe
Boston

Dönitz Death

I agree with the German government's decision not to join the funeral of Karl Dönitz [Jan. 12] and not to allow German soldiers to attend it in uniform. We should not honor a leading officer of Hitler's navy who not only supported a dictatorship that caused so much suffering and death but commanded German submariners, of whom roughly two-thirds did not come home.

Wolfgang Stenzel
Kiel, West Germany

Leonardo's Mistake

As the title of your article on Social Critic Bernard Rudofsky correctly suggests, "Leonardo Had It Wrong." But for reasons other than Rudofsky thought [Dec. 15]. If Rudofsky had spent more time on what was eaten at the Last Supper than on how it was consumed, he would have realized that the biggest mistake on the canvas was the round rolls on the table. Jesus, who was a practicing Jew, undoubtedly would have been served the traditional flat Passover matzos.

Sam Lehman-Wilzig
Petach Tikva, Israel

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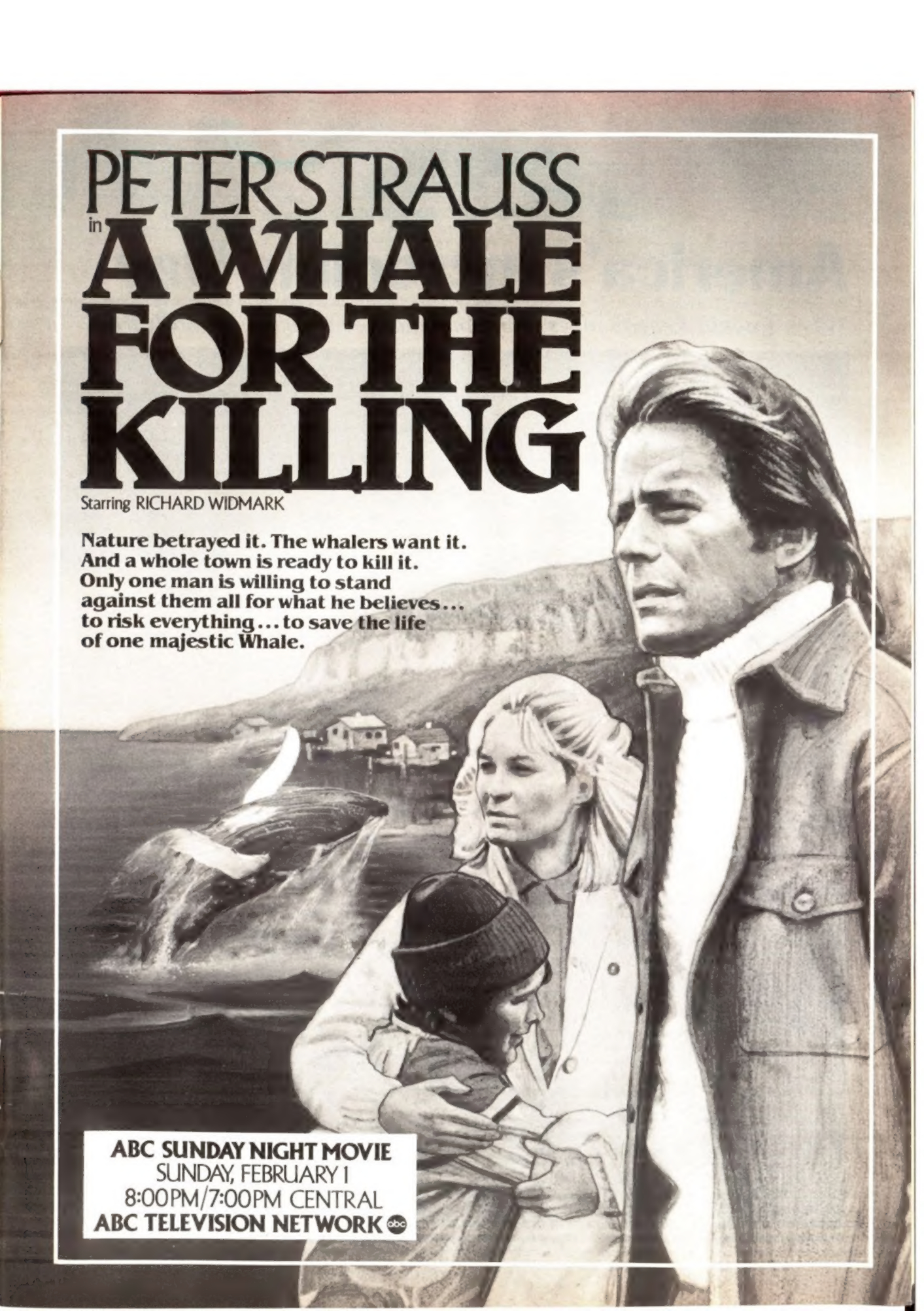

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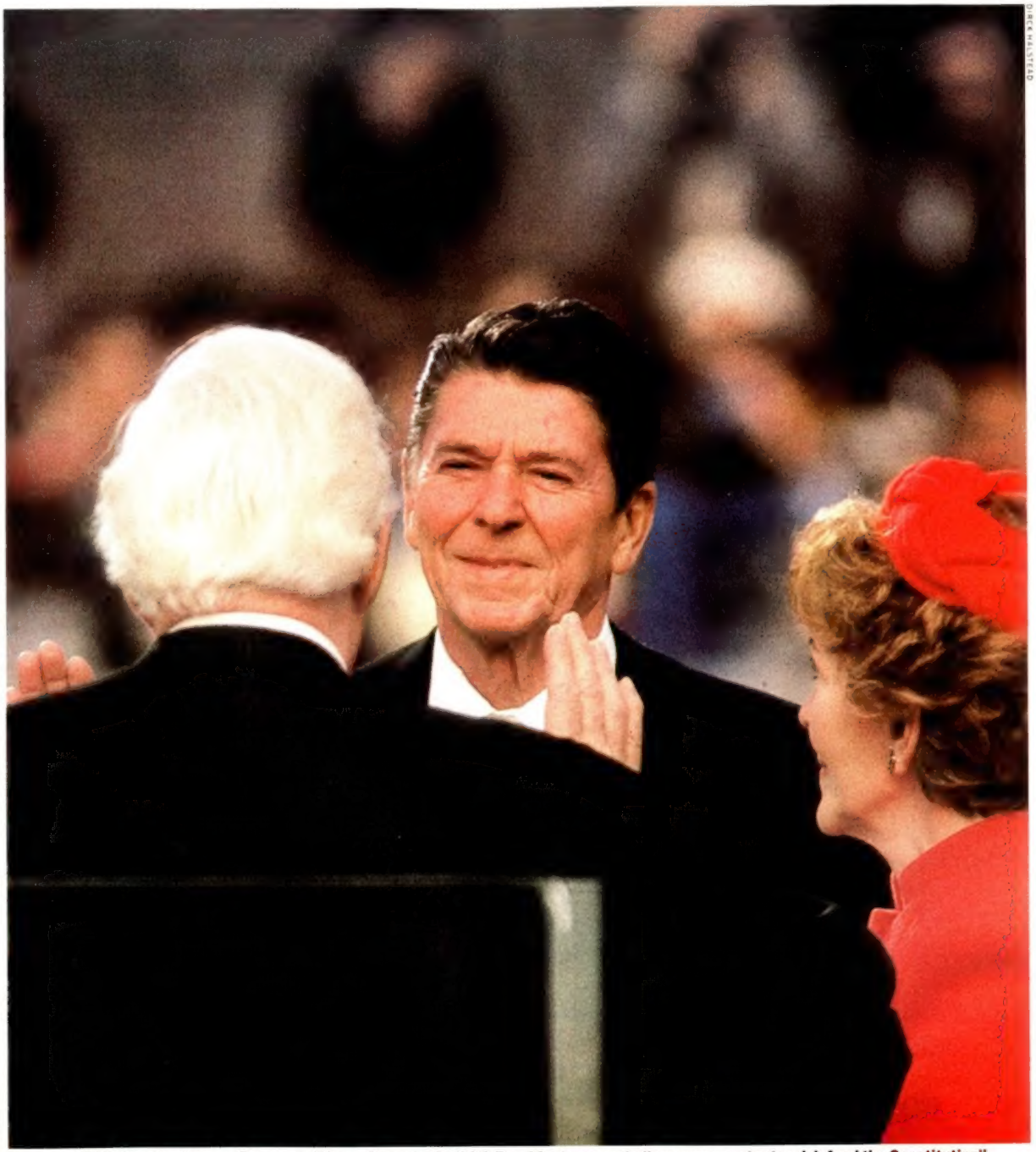
TIME/FEBRUARY 2, 1981

America's Incredible Day

When Ronald Reagan takes command and the hostages are finally freed



DIRCK HALSTEAD

Framed by Chief Justice Warren Burger and Nancy Reagan, the 40th President swears to "preserve, protect and defend the Constitution"

It was an extraordinary conjuncture of events, compressed almost beyond credibility: within a mere 41 minutes, a presidency began, an ordeal ended, and the nation was swept by a sense of shared emotion and exuberance not felt in years.

Even Ronald Reagan, at ease with the implausibilities of fictive film, would have rejected the script as beyond belief. At the approach of high noon, the hero strides to the podium. Gently, the sun tries to break through an overcast sky. With a resounding "So help me God!" he pledges to uphold the Constitution, and then calls for an "era of national renewal." He leaves the platform, with the U.S. Marine Band playing *Hail to the Chief*, and minutes later a plane half a world away finally lifts off from a Tehran runway, thus ending an ordeal that has sapped the nation's confidence for 444 agonizing days. Hollywood would not have touched such an improbable melodrama, but so it happened last week, and Ronald Wilson Reagan was the leading man.

Watching on television, getting the word from a neighbor or a passer-by on the street, listening to radios even at the Inaugural itself, Americans learned of the hostages' release and felt a surge of national relief, a rebirth of confidence and hope, however transitory, that rivaled the first landing on the moon. Here was a pageant awash with symbolism and reality that defined democracy: the orderly transfer of authority to the nation's 40th President. And it coincided with the news Americans had been waiting and pray-

Before some 150,000 listeners at the West Front of the Capitol, Reagan gazes toward the Washington Monument and delivers his address

Carters welcome Reagans at the White House just before swearing-in

Ron and Nancy wave to well-wishers lining the parade route

The 39th President and his successor share a ride to the Inauguration

An exuberant Vice President Bush gives a Texas-size greeting

ing for these long, agonizing, humiliating months. The 52 were free at last.

It was a dual extravaganza broadcast on split television screens and recorded in newspapers with double-decked banner headlines. Moment by moment on Inauguration Day, the stories, both intertwined and competing, unfolded, building to a happy ending. The final act began at 11:42 a.m. in Washington as a Marine baritone, Michael Ryan, launched into the third verse of *America the Beautiful*: "O beautiful for heroes proved/ In liberating strife," he sang from the podium on the Capitol's West Front, where in minutes Reagan would be sworn in as President. At that moment, the news began to spread of a wire-service bulletin, "Hostages free." A murmur emanated from those in the vast crowd who had brought their radios.

Official confirmation of the report did not come until shortly after 12:33 p.m., when the first of two planes on the Tehran runway finally took off. The second, which actually bore the hostages, left five minutes later. Gary Sick, the National Security Council's chief Iran team member, relayed the word to Jimmy Carter as he rode toward Andrews Air Force Base for his flight home. James Brady, the new presidential press secretary, tapped Reagan on the shoulder as he entered the Capitol for a lunch with participants in the Inaugural ceremony and told him the news, relayed from the White House Situation Room through National Security Adviser Richard Allen. A few minutes later, Reagan told the press: "The word that we have is that both planes are airborne."

So began the end of the hostages' ordeal amid the cavalcade of Inaugural festivities that had started Saturday night. From the opening fireworks to the last dance, it was the biggest, most lavish, most expensive presidential welcome ever. All told, an estimated $11 million was spent on the eating, drinking and merrymaking (Carter's Inaugural celebration cost $4.8 million). Like all Inaugurals, none of it came out of taxpayers' pockets. Corporations and individuals gave the Presidential Inaugural Committee $8 million in interest-free loans, which will be partly paid off from the sale of souvenirs and tickets to the Inaugural events (top price: $1,000 per seat). Donations included 14,400 bottles of champagne from Almaden Vineyards, $13,000 worth of roses from the Society of American Florists and 3½ tons of jelly beans from a California company called Jelly Belly.

Each day was crowded with scores of private parties for the 100,000 visiting celebrants. One Washington caterer, Ridgewell's, served 400,000 hors d'oeuvres at 56 parties. Hundreds of limousines were brought in from New York City and Philadelphia to meet the demand, while twice the usual number of private planes jammed Dulles National Airport.

Nancy Reagan was resplendent, wearing in four days dresses by Designers Bill

Reagan savors his first moments in the Oval Office with Aides James Baker, Michael Deaver, James Brady, Edwin Meese and Richard Allen

Blass, Adolfo, and James Galanos and a mink coat given to her by her husband. She imported two hairdressers, one from New York and one from Los Angeles, and took one of them along during a helicopter ride to an event so she could arrive freshly combed. The old Republican cloth coat that was good enough for Pat Nixon seemed destined for extinction. Judging from the number of pelts popping out of limos, a number of fur-bearing species might be in trouble, too.

Viewing all the pomp and folks from elegant circumstances, no less a Reagan partisan that Senator Barry Goldwater growled "ostentatious." He objected to such a public display of wealth "at a time when most people can't hack it." Marcia Carter, a Republican civic leader from Houston, agreed. Said she: "The thing that offended me most was the great extravagance at a time when we're supposed to be cutting the budget and showing restraint on all unnecessary frills." Robert Michel, the new Republican minority leader in the House, complained: "At these prices, only those of a certain economic stratum can attend."

But for others, the aggressive display of wealth and exuberance seemed perfectly justified. America was ready for a party, they argued, and since it was privately financed, Reagan and the Republicans were entitled to give any kind of bash they felt like—and could afford. Said Inaugural Co-Chairman Robert Gray: "There weren't any Government funds. These were citizens who wanted to celebrate. Just because we're conservative doesn't mean we should run around in sack cloth and ashes when we want to celebrate." Added Special Trade Representative Bill Brock: "It happens only once every four years. They deserve a good time."

In fact, the balls had a charitable aspect: the money raised at the satellite balls around the country went to local charities. As Reagan said at one of the balls, while his words were broadcast closed circuit around the country: "Here we are on the first night and there are communities that are keeping their money at home. We're going to do our best to see that the idea catches on."

The fun began with a bang—actually a shower of them—Saturday night in the form of an $800,000 fireworks display, the biggest sky splash Washington has ever seen. Actor Efrem Zimbalist Jr., standing on a mammoth eagle-shaped podium on the steps of the Lincoln Memorial, quoted from Reagan's acceptance speech to last summer's Republican Convention, the U.S. Army Band played Aaron Copland's *Fanfare for the Common Man*, and the Mormon Tabernacle Choir sang *God Bless America*. Then the sparkling pyrotechnic finale burst across the sky.

West Point cadets step lively (110 paces per minute) near the reviewing stand

Flags, kids and miles of smiles fill a sidewalk along the line of march

Sunday night was more subdued, with the celebrants attending two candlelight dinners and joining the Reagans for a music and dance tribute at the Kennedy Center. To the accompaniment of a wide assortment of military ensembles, the $500-a-plate guests ate striped bass and *médaillons de veau*. Inside the concert halls, Mikhail Baryshnikov and Natalia Makarova danced, Roberta Peters and Grace Bumbry sang, and the Chamber Music Society of Lincoln Center and the National Symphony Orchestra performed.

Monday night it was Hollywood's turn, and the First Couple watched sitting on blue velour chairs. "This is the greatest collection of talent America could offer to any audience," intoned Producer Frank Sinatra, with considerable hyperbole. The highlights of the Capital Center evening were the impeccably timed humor of Johnny Carson and the richly satiric impressions of Rich Little. Said Carson: "This is the first Administration to have a premiere." Quipped Old Favorite Bob Hope: "I like to come to Washington once in a while. Why should my money travel more than I do?" The low points included a tasteless adaptation by Singers Donny and Marie Osmond of the rock song *Johnny B. Goode* into "Ronnie Be Good" and a dubious blackface routine by Ben Vereen. The Washington *Star's* David Richards described the event as "a three-hour endurance test without a commercial break." Washington *Post* Critic Tom Shales called the show "a tacky combination of a Hollywood awards show, a Kiwanis Clubs talent contest and a telethon stocked with fewer greats than near greats." Reagan, however, seemed to enjoy the extrav-

Carter savors his final moments in the limelight before leaving for Plains and comforts a tearful Amy, as a pensive Rosalynn stands by

aganza heartily, and even went home to his temporary quarters at Blair House to watch a replay of it.

At the very moment Reagan was falling asleep that night, Carter, on his second all-night vigil in a row, was finally clearing the last obstacle that stood in the way of the hostages' release. With him were his top aides, as well as Vice President Walter Mondale, whom Carter had invited to spend a final night in the Lincoln Bedroom. Instead, Wife Joan slept upstairs alone while Mondale stayed in the Oval Office through sunrise.

The First Couple with Comedian Bob Hope at the Kennedy Center ball

Reagan had just risen, eaten a light breakfast and begun to pack his suitcases for the move across the street, when the President called him at 8:31 to say the final difficulties had been overcome. The planes that were to carry the hostages, Carter knew, were already on the Tehran runway, and he hoped to have the satisfaction of ending the crisis "on his watch." Suddenly, he remembered the national Christmas tree, which had been kept dark in sympathy for the hostages. He ordered the lights turned on as soon as they were freed, and Hamilton Jordan said he would try to find the National Park Service employee in charge of the tree. (It was later turned on.)

At 9:26 a.m., the Reagans crossed Lafayette Square to attend St. John's Episcopal Church, where home-town Preacher Donn Dement Moomaw and the Rev. Billy Graham were preaching. To those back in the White House, it became apparent that the Iranians were procrastinating—no doubt as a final insult. "They clearly can't know the Inauguration schedule," Jordan muttered. They seemed to, however, and the Iranian news agency Pars soon claimed that the knowledge was being used to deny the President any final glory. Later, it was reported that the Iranians may have delayed the departure because of unruly crowds at the Tehran airport. Mondale, now dressed in his formal morning suit, tried to lighten the air by mimicking a waiter. "Can I bring you coffee or a pastry?" he asked several Oval Office visitors jokingly.

Just after 10:15, Jordan requested that all remaining aides leave, saying Carter wanted to have some time alone. Five minutes later, after Carter had left for the living quarters to await Reagan, his secretary, Susan Clough, cleared his desk, and silent stewards moved about stripping the office clean.

When the Reagans arrived, Carter looked exhausted and Rosalynn's cold smile appeared pasted on. She shook hands with Nancy, but no words beyond hellos were exchanged. It is not known whether the incoming and outgoing Presidents said much to each other as they rode together in a limousine toward the Capitol.

Reagan had contingency plans for announcing the hostages' release at the ceremony, should word come shortly after noon. A military aide was assigned to keep Republican Senator Mark Hatfield, the chairman of the swearing-in ceremony, informed. If the news were to come during the Inaugural Address, Hatfield was to slip Reagan a note. Hatfield had another contingency plan: if the weather had been bad, he would have moved the ceremony into the Rotunda. In 1841 William Henry Harrison, 68, spoke for 1¾ hours in a cold rain on his Inaugural Day. He contracted pneumonia and died a month later.

Hatfield's plans were not needed.

The first Cabinet meeting, with Haig, Weinberger and a jar of jelly beans

Reagan brought California with him. The balmy 56° weather made it one of the warmest Inauguration Days in U.S. history. The Joint Congressional Committee on the Inauguration had broken with tradition, choosing the Capitol's ornate West Front, with its sweeping vista of the Mall and the monuments beyond, looking symbolically west across America. A dispute over whether the building should be expanded westward has prevented repair of structural problems there. Vast drapes of red-and-white bunting were installed to hide the beams that prop up the façade.

Reagan's audience, estimated at 150,000, stretched far down Capitol Hill, past the brooding statue of Ulysses S. Grant, past the edge of the great Reflecting Pool. Directly in front of the podium was a huge tiered platform for the instruments of Reagan's true audience: millions of television viewers. As the Marine Corps Band played stirring renditions of *Yankee Doodle* and *The Battle Hymn of the Republic*, official guests in solemn procession arrived to take their positions. The Senate strode in with Leader Howard Baker in front, carrying his omnipresent 35-mm camera. Then came Vice President-elect Bush, President Carter, Vice President Mondale and the Justices of the Supreme Court. Finally, to the strains of the U.S. Army's Herald Trumpets playing *Jubilant*, Reagan arrived on the podium at 11:39 a.m.

Repeating after Chief Justice Warren Burger, Reagan, at 11:57 a.m., took the oath of office in clear and measured tones. As the 21-gun howitzer salute began that followed the oath taking, Private Citizen Jimmy Carter stepped forward and shook the new President's hand.

Reagan's speech was a simple, clear, 19-min. 53-sec. repetition of much of his campaign rhetoric. He thanked President Carter for a smooth transition, outlined the severe economic problems facing the nation, pledged to begin immediately the task of righting the economy, and claimed that government had long been the cause rather than the solution of problems. He concluded with a vintage Reagan evocation of the basic strengths of America and the heroism of its people.

He had written nearly all of the speech himself, based on notes and research supplied by various aides. Reagan was so intent on

maintaining secrecy about the contents of the speech that he insisted on keeping the file cards on which the speech had been typed with him at all times. Staffers were concerned he would forget the cards at Blair House, where they had been stashed in a drawer, but he remembered to bring them with him.

It was not the kind of virtuoso performance Reagan had demonstrated his mastery of in the campaign: it was low-keyed, somber in places, and direct, as he called "for an era of national renewal," while warning that many of the problems besetting the nation, especially inflation, would not yield to quick solutions.

The speech's virtue was its simplicity and the palpable sincerity of its author, his belief in America and its possibilities. "We are too great a nation to limit ourselves to small dreams," he said. "We are not, as some would have us believe, doomed to an inevitable decline." Effectively, he cited the simple patriotism of Private Martin Treptow, an obscure World War I hero *(see box)* to illustrate his conviction that every American can lend a hand and make a difference.

To one line, which denounced discrimination, he added a reference to "bigotry," explaining to his speech assistant that "there's been such an increase in anti-Semitism around the world," which should be denounced also. He promised that the burdens of righting the economy would be shared equally by all, and said that he would not ignore the needs of the nation's poor and disadvantaged: "How can we love our country, and not love our countrymen? And loving them, reach out a hand when they fall, heal them when they're sick, and provide opportunity to make them self-sufficient so they will be equal in fact and not just in theory?" Reagan did not attempt to reconcile his attack on government, which is the main agent in society for aiding the needy, with his concern for the poor. He gave no fresh ideas, nor did he indicate any imaginative approaches for resolving the problems of the economy without placing a greater burden, at least in the short run, on those who depend on government for their subsistence.

President and First Lady share a tender moment

Immediately after the speech, Jimmy Carter, avoiding reporters, went to the gray limousine without a Presidential Seal that was to take him to Andrews Air Force Base for the trip back to Georgia. On the way, with Mondale by his side, Carter heard by phone of the hostages' departure from Tehran. He and Mondale looked at each other—and cried.

At the Air Force base, where Carter received a 21-gun salute, his eyes brimmed with tears again. "My heart is filled with the realization of what it means to be free and be a citizen of the greatest, strongest, most decent nation on earth," the former President told the crowd.

Amy, too, was weeping at the runway, upset at leaving her friends, six of whom had come to see her off. Carter embraced her, stroked her hair, and finally stood on the steps to make an announcement: "Come on everybody. This is a time to be happy. Get on board." The six children scampered up the stairs and flew off to Plains. They returned with the plane that night.

A cold, persistent rain was falling in Plains when the former President and his expanded entourage finally arrived. Carter, in a raincoat, and Rosalynn, holding two red Georgia camellias, walked proudly and slowly down Main Street greeting the 3,500 friends who showed up to welcome them home. "Coming back to Georgia is a happy experience for me," he said, "and I thank God for it."

In Washington, meanwhile, as a smiling Reagan made his way inside the Capitol after the ceremony, chatting with a handful of aides and Senators and their wives, Press Secretary Brady brought him the news of the hostages' departure. Cautioned Reagan: "Wait until they have cleared Iranian airspace so we can take that last little deep breath."

As he had promised he would do often, Reagan made use of the ornate President's Room of the Senate, which had last been used for a bill-signing by Lyndon Johnson. There, beneath the frescoes of Constantino Brumidi and the busts of two slain Presidents, James Garfield and William McKinley, the new President signed an Executive Order that puts a freeze on federal hiring. Said he: "It will be the first step for controlling the growth of the Federal Government." Reagan had hoped to sign other Executive Orders immediately. A "first days" task force had worked out plans for such moves as the elimination of the Council on Wage and Price Stability. But the past few weeks had taught the Reagan team the difficulties of taking swift, decisive action. The council, for instance, cannot be disbanded until its congressional funding runs out in five months.

Reagan went from the Senate to the Capitol's resplendently renovated Statuary Hall for lunch with congressional leaders and Inaugural participants. Each table had a bouquet of California roses, freesias and anemones, with crystal ware from the House and china from the Senate. For the ladies, there were small silver-plated boxes filled with jelly beans. The elegance of the setting, however, was no match for the exquisite announcement Reagan made at the end. Said he, as Carter was flying into the Georgia rain: "With thanks to Almighty God, I have been given a tag line, the get-off line everyone wants at the end of a toast or speech. Some 30 minutes ago, the planes bearing our prisoners left Iranian airspace and now are free of Iran. We can all drink to this one."

After lunch, Reagan dropped by the office of House Speaker Tip O'Neill, who asked him to autograph some Inaugural programs. This would be the *quid pro quo*, O'Neill joked, for the votes that the President would soon be seeking on the Hill. Quipped Reagan as he signed: "One vote, two votes, three votes—at this rate I'm way ahead."

Then came the parade. Thousands waving American flags, and a few waving ERA-YES banners, lined the route from the Capitol to the White House to cheer the Reagans and Bushes in their sun-roofed limousines. The excitement infected the effervescent Vice President in particular; he leaped up and down waving both arms as if he were doing the butterfly stroke. Reagan expressed his joy with equal vigor when he got to the White House reviewing stand. There, he clapped to the beat of the bands, sang along with their songs, and became teary-eyed. The 8,000 or so marchers came from military units, service academies and high school bands—including the one from Reagan's home-town high school in Dixon, Ill. To

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the delight of the equestrian President there were plenty of horses, 26 mounted units in all. Still, from the U.S. Army's Herald Trumpets salute of *Hail to the Chief* to the Mormon Tabernacle Choir's rendition of *The Battle Hymn of the Republic*, the parade ended within 15 seconds of its scheduled one hour.

At the White House, the last load of the Carters' belongings was trucked out and the first load of the Reagans' rolled in. A number of eager Reagan aides also took up their posts. Five workers entered the Oval Office just as Dominador Julian, who has served every President since Eisenhower, was polishing the brass doorknob. They rearranged the furniture as Reagan had specified, moving the sofas into a conversation area. They also took on the Cabinet Room, replacing the portraits of Jefferson and Truman with those of Eisenhower and Coolidge. As Reagan explained to his Cabinet at their first meeting the following day: "Eisenhower is up there because I beat him for $10 the first time we played golf." The Coolidge painting, he said, was a tribute to silent Cal for reducing the national debt. Nameplate medallions were screwed onto the backs of chairs in the Cabinet Room, readying them for their new occupants. An announcement was made that there would be a scheduling meeting in the Roosevelt Room. "Where is the Roosevelt Room?" someone asked. Shirley Moore, secretary to Top Aide Michael Deaver, received her first phone call. The caller wanted Hamilton Jordan. "He's not here any more," she said. The caller asked for Jack Watson then. "No, they're all gone now," she said. "We're the new folks in town, and we're in charge now."

That night came the Inaugural balls, which have been part of the Inauguration since James and Dolley Madison had one in 1809. For Reagan, there were ten balls around Washington (plus local versions in 83 cities via a closed-circuit TV hookup), the most ever, and the price of admission was $100 per person, also the most ever. The balls were generally glamorous, and most participants, at some point in the evening, had a good time. But many of the affairs were disorganized, and all were jampacked. Texas Millionaire John Bartlett, for example, was one of the unfortunates at the Sheraton-Washington Hotel, the most chaotic ball of all. He had paid $12,000 for six box seats, but when he left the main room briefly he found he could not get back in: 6,000 people were trying to get into a room that was far too small for so many. Tempers flared at many points in the evening. Said Bob Hope, surveying the scene at the Kennedy Center ball: "It looks like Macy's basement out there."

Nancy Reagan, her hair swept back into a chignon anchored by four pearl-and-diamond clasps, and wearing a stunning beaded, one-shoulder James Galanos gown, stayed at her husband's side as they visited all ten balls. At a few stops, Reagan spoke of the hostages—"prisoners of war," he purposefully called them—but generally he kept to an aw-shucks-so-glad-you're-here routine. Said he to guests at the Washington Hilton: "I've finally decided that I'm not going to wake up. It isn't a dream." The Reagans danced, at last, at their eighth stop, the party in the ornate Pension Office Building, to *Moonlight Serenade*, and again at the Smithsonian's American History Museum to *You'll Never Know*.

The next morning Reagan started his first full working day in the White House by presiding over the swearing-in of 39 staff members. The Marine Band provided ruffles, flourishes and *Hail to the Chief* upon his entrance. Reagan assured those assembled: "I don't expect every morning to be greeted by the Marine Band." Echoing a promise he has made several times in recent months, he admonished his staff not to make any decisions based on politics. "I don't say that we won't seek office ever again," he said, "but the decisions will be made on what is good for the people."

A Cabinet meeting that morning included a discussion of the hostage agreement—and a Waterford-glass jar of jelly beans placed in the center of the table. In an attempt to give the impression of swift, decisive action, Reagan ordered about 1,000 top federal executives be replaced, including 15 departmental inspectors general. Spokesman Brady said Reagan wanted that group replaced by people who are "meaner than a junkyard dog in ferreting out waste, fraud and mismanagement."

As usual, Reagan was not embarrassed to show an unfamiliarity with detail, reinforcing the impression that he has delegated most of the implementation of his economic philosophy to subordinates. Asked by a reporter during a photo opportunity whether he would soon have an expected new Executive Order on cost-cutting, Reagan shrugged. David Stockman, the OMB director, started nodding vigorously and Reagan added: "I have a smiling fellow at the end of the table who tells me we do." Indeed, the President that day issued a memorandum ordering agencies to cut their travel budgets by 15%, reduce spending on outside consultants by 5%, halt procurement of new furniture, and refrain from redecorating their offices. The Reagans' own $50,000 redecoration of their living quarters, however, is going ahead as planned.

In his first foray into the press room, the new President brought along Vice President Bush, whom he asked to head a task force to reduce Government regulations. In lieu of the running start they had hoped for, the new Administration was anxious to at least set off a flurry of visible activity to show that it means busi-

A Real Hero

Private Treptow

Just as Jimmy Carter's 1977 Inaugural Address sent Americans scurrying to their Bibles in search of the Prophet Micah, Ronald Reagan last week set the nation wondering about Private Martin A. Treptow, an obscure World War I hero. The new President, inspired by a letter from an unnamed admirer, quoted a passage from Treptow's diary: "America must win this war. Therefore, I will work, I will save, I will sacrifice, I will endure, I will fight cheerfully and do my utmost, as if the issue of the whole struggle depended on me alone."

Reagan was wrong in implying that Arlington National Cemetery is the soldier's burial place—Treptow is interred in Bloomer, Wis.—but right about his heroism. Treptow grew up in Bloomer and moved to Cherokee, Iowa, to work as a barber. When the war began, he enlisted in the National Guard as a private and was sent to Europe with the 42nd "Rainbow" Division. During lulls in battle, he would give his fellow soldiers haircuts and scribble in his diary. On July 28, 1918, during the fighting near Château-Thierry, his commanding officer called for a courier to carry an urgent message. Treptow, 24, volunteered. He was killed before he could complete his mission. Says Treptow's nephew, Lyle Gehring of Roseville, Calif.: "The diary was found in his uniform pocket. It was quite bloody at the time."

After Treptow's body and journal were shipped back to Bloomer, the private's pledge received widespread publicity and was used by the Government in patriotic posters. Gehring remembers seeing the words framed at a Missouri training camp during his World War II service; another poster is part of a collection in the National Archives in Washington. The leather-bound original rests with Gehring's sister, Doris Roberts of Freeport, Ill. If the President had been able to read on, he would have found that even heroes can be lonely. The next entry reads: "Getting a poor start. At 8:30, still in bed, singing *Home Sweet Home*."

His tombstone

ness when it comes to cutting spending and getting its economic show on the road.

One roadblock the Reaganites have faced in coming out with more substantive programs is the delay in putting their top management team in place. On Friday, finally, the President was able to announce a handful of sub-Cabinet choices. Among them was William Clark, a former aide to Reagan when he was California Governor, who was persuaded to leave the state's supreme court to become Deputy Secretary of State. More important, Reagan finally completed his top-level economic team with the selection of Washington University Professor Murray Weidenbaum, an expert on regulatory costs and a foe of excessive regulation, to head the Council of Economic Advisers (*see* ECONOMY & BUSINESS).

On Wednesday evening Reagan called the leaders of France, West Germany, Japan, Canada, Britain and Italy to assure them he looks forward to working with them. To West German Chancellor Helmut Schmidt he extended a formal invitation for an April visit, which was promptly accepted. Schmidt, who has not got along well with Carter, said this week that Reagan has "a very clear view of global American strategy." Reagan is expected to go to Canada soon to visit Prime Minister Pierre Trudeau. He has already scheduled meetings in the near future with Spanish King Juan Carlos, British Prime Minister Margaret Thatcher, Korean President Chun Doo Hwan and, this week, Jamaican Prime Minister Edward Seaga

His diplomacy also extended to the Federal Reserve Board, which sometimes acts with the independence of a foreign government when it comes to controlling the money supply, a key item on Reagan's economic agenda. He crossed the street from the White House to the Treasury Building to meet Fed Chairman Paul Volcker, a Carter appointee whose term does not expire until August 1983. Also in attendance were Treasury Secretary Donald Regan, Weidenbaum and top White House aides. Reagan mentioned that he had recently read "a prediction that the price of gold was going to nosedive." Replied Volcker: "I would love to see that. It's got to. It's been under a lot of pressure." Then they settled for a 90-minute "get acquainted meeting" and discussion of economic policy

So Ronald Reagan's first week as President began. "I wonder if they left us anything," he said to an assortment of aides on first sitting at the great oak desk in the Oval Office. "Well, they've left me some paper clips." Then, to no one in particular he joked: "It's been a very wonderful day. I guess now I can go back to California. Can't I?" —***By Walter Isaacson. Reported by Douglas Brew and Neil MacNeil/ Washington***

What to Watch For

For the new President, the next few weeks may be critical

Ronald Reagan has said what he intends to do as President with considerable power and sincerity. Now it remains for him to translate words into action. The success of his presidency could rest on how quickly, adroitly and decisively he moves in the next few weeks. Says Frank Freidel, American history professor at Harvard: "If Reagan is going to be an F.D.R. of the right, he is going to have to act rapidly and not let the good will evaporate. The time is past for general exhortation. We had that in the Inaugural speech. Now is the time for specifics." Adds Iowa Democratic Party Chairman Ed Campbell: "I think the honeymoon period could be shorter than usual because people are just not going to accept business as usual."

"Your ship, Captain!"

The question still to be answered is whether the new President has the will to back up his words. His friends are more worried than his foes about a seeming irresoluteness on occasion, a remoteness from the events over which he should be exercising command. James David Barber, professor of political science at Duke University, feels that Reagan is a "sentimentalist whose presidential style is overwhelmingly rhetorical. He invests very little in the homework of office or tough negotiations. I think we're all going to see more Ben-Gay than blood."

But what appears to be passivity could be careful planning. Leroy Corey, chairman of the Iowa Conservative Union, expects Reagan to keep his campaign promise to try to restore school prayer and to restrict abortions, but he does not think the President should act precipitately "The worst thing I think Reagan could do would be to take on too much at one time," he says. "That was one of Carter's big mistakes, trying to do 25 things at once. No one realistically expects the welfare state to be dismantled overnight."

The first Reagan moves to be closely scrutinized will be his actions on the economy. The President and his advisers are still wrestling with the economic package they will present to Congress and the public in early February: a blend of tax and budget cuts aimed at seeking a middle ground between risking too much and risking too little. But even before the major policy is unveiled, there will be other telltale clues. Though the President imposed a hiring freeze on the Federal Government last week, as he had pledged, much depends on his follow-through. Carter, after all, took a similar action, yet ended up with some 40,000 additional employees on the federal payroll at the end of his term. Reagan said that hiring outside contractors for federal work—another ruse for getting around a freeze—will not be permitted. But he did not issue a flat ban on the practice. Another tip-off will be the size of the White House staff Like Carter, Reagan has promised to pare it. One measure of his resolve will be quickly apparent: the number of employees listed on the payroll of other agencies who are actually working for the White House—a typical gimmick for hiding fat.

Certain budget cuts in the area of social and health services seem inevitable. But will Reagan be a consistent budget cutter even when his own political interests get nicked? He was strongly supported by the maritime unions and the shipping interests, recipients of considerable federal largesse. Will Reagan risk offending them by failing to increase their stipends? He faces the same problem in the case of farm subsidies. They contribute to the costs of Government and

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WE'VE HAD ONE BUILT FOR YOU.

the food bills of consumers, but they are also demanded by a powerful voting bloc. Reagan won support from middle-income and blue-collar workers, who make liberal use of low-interest student loans provided by the Government. The President will upset many hard-pressed families if he reduces or eliminates such aid. But if he does not, and if on top of the loans he urges tuition tax credits, he will make a mockery of his claims to cut spending.

A critical test of Reagan will be his handling of the Social Security system. Nearly everyone familiar with the system acknowledges that steps must be taken to make it solvent, but so far no one has been willing to pay the political price. Reagan could urge any of several changes: moving back the age of eligibility for full benefits from 65 to 68 or older, reducing the automatic annual cost-of-living increase, tightening the scandalously lax $15 billion-a-year disability insurance program. But if the President fails to propose changes or simply sets up another study group, he will make it clear that he has no stomach for a political hot potato.

Early next month Reagan will probably be plunged into a bruising environmental battle. The Clean Air Act comes up for renewal, and its critics in the automotive, chemical and steel industries are girding to fight for substantial changes. During the campaign, Reagan echoed their charges that the law has damaged productivity, discouraged new investment and eliminated jobs. Says Henry Waxman, chairman of the House Subcommittee on Health and the Environment: "If Reagan keeps to his rhetoric, he will declare war on the act. The potential is there for a tremendous battle." Some of the President's supporters are likely to be split on the issue. While businesses want fewer restraints on coal burning, farmers and fishermen are alarmed by the acid rain emanating from polluting stacks. Says Charles Lee, Florida spokesman for the Audubon Society: "The real tests for the first time in decades will not be between liberals and conservatives, but among conservatives themselves."

Reagan's most obvious challenge in foreign affairs is what to do about Iran in the aftermath of the hostages' release. On the one hand, he will be pressured to take some punitive action; on the other, he must consider the impact of any such move on the stability of a key oil-producing nation in the Persian Gulf.

The first foreign head of government to visit the White House will be Jamaica's newly elected Prime Minister, Edward Seaga, who arrives in Washington this week. The victory last fall of a candidate who supports the free market and friendship with the U.S. marked a stunning reversal of what seemed to be a socialist current in the turbulent Caribbean. Seaga's visit will give Reagan the opportunity to disclose whatever policy he has in mind for encouraging America's friends in the region.

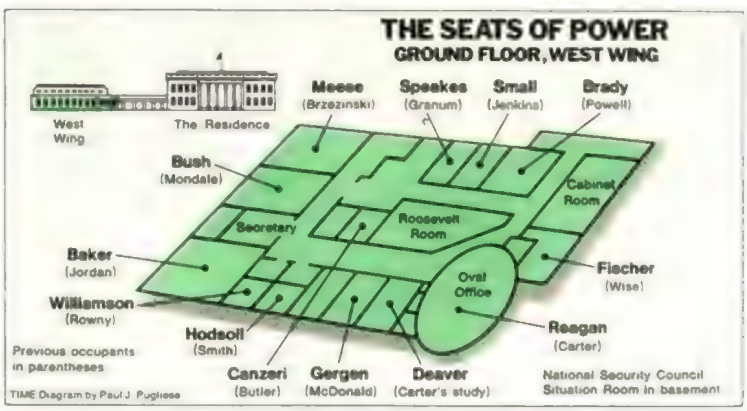
Other crises in the hemisphere demand speedy resolution. The President must decide whether to increase military aid to El Salvador, which is plagued by a leftist insurgency and counter-violence from the right. Last week the Administration suspended economic aid to the leftist government in Nicaragua because it was supplying arms to the guerrillas in El Salvador. Soon Reagan must make up his mind about resuming military assistance to Guatemala, which came to a halt under the Carter Administration after alleged human rights violations. During the campaign, in fact, Reagan criticized Carter's rights policy for often hurting friends of the U.S. and helping its enemies.

The President must decide how hard to push U.S. allies in dealing with the Soviet Union. A potential conflict is posed by a group of Western European nations that are negotiating to acquire a steady supply of natural gas from the Soviets, a deal that could vastly increase their dependence on the unpredictable superpower. Says Paul Seabury, a political scientist at the University of California at Berkeley: "It's an extremely touchy issue and could prove an indication of how tough the U.S. will get as an alliance partner."

Though Reagan has promised to continue the Camp David peace process, he faces trouble with Egypt over American use of a military base at Ras Banas on the Red Sea. The U.S. wants President Anwar Sadat to sign a formal agreement allowing American access, but Sadat is reluctant to do so for fear of stirring up Egyptian opposition. He has warned the U.S. against taking too stern a line.

Early key decisions will be needed on defense. Even with the spending increases planned by the Reagan Administration, hard choices must be made between nuclear and conventional weapons. Should the U.S. move as quickly as possible to increase its nuclear armaments or to build a Rapid Deployment Force capable of acting in an emergency in the Persian Gulf? At the top of the lists of weaponry, Reagan will have to decide whether to go ahead with the MX missile despite its estimated $34 billion price tag and the opposition it has aroused.

Reagan's agenda is thus full, and the first steps he takes—and how quickly and forcefully he takes them—may well set the pattern and the pace of his presidency. *—By Edwin Warner. Reported by Laurence I. Barrett/Washington*



In any White House, proximity to power is power itself. Thus as Reagan's aides moved into their new West Wing offices last week, there was close scrutiny of who was to sit where. Next to the Oval Office, in the study Jimmy Carter used as a hideaway, is Presidential Assistant Michael Deaver, who will manage the President's time and appointments. His deputy Joseph Canzeri, in charge of scheduling, takes the office down the hall. Special Assistant David Fischer, Reagan's longtime personal aide, gets the office of Carter's former appointments secretary, Phillip Wise. The two prestigious corner offices, once held by Chief of Staff Hamilton Jordan (later replaced by Jack Watson) and National Security Adviser Zbigniew Brzezinski, go to new Chief of Staff James Baker and Counsellor Edwin Meese. Baker not only got what is perhaps the best site, but his chief aides, David Gergen, Richard Williamson and Frank Hodsoll, were given offices near by. Richard Allen, who takes Brzezinski's old job, moves into the basement near the Situation Room—a change that he requested. Allen's domestic counterpart, Martin Anderson, is on the second floor. The three top press aides, James Brady, Karna Small and Larry Speakes, take over the ground-floor space of their Carter counterparts. The vice-presidential suite remains the same as Bush assumes Walter Mondale's West Wing office.

New Beginnings, Old Anxieties

A TIME *poll finds more unease, less hope, than four years ago*

He won election by a landslide and was welcomed to office last week with a blare of trumpets and the bells of rejoicing at the freeing of the American hostages. But Ronald Reagan's honeymoon is likely to be somber. He inherits a nation that is bleakly pessimistic about its own situation, anxious about inflation, skeptical about solving any of its major problems quickly and much less confident than it was four years ago when Jimmy Carter took office.

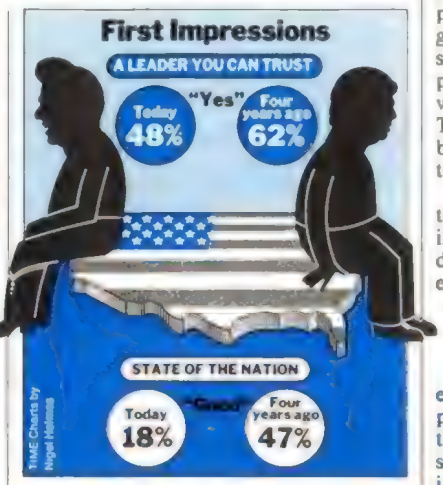
Reagan settles into the White House with the nation still divided in its opinion of him. Fewer than half of the American people now express full confidence and trust in the 40th President, while nearly as many say they have doubts and reservations about him. These are the findings of a national opinion survey conducted for TIME by the research firm Yankelovich, Skelly and White Inc. shortly before Reagan's Inauguration.*

The nation's present sour mood of high skepticism and low expectations is in sharp contrast with the national ebullience that surrounded Carter's beginnings as President. At that time 47% of Americans felt the country was in good shape, compared with 18% who feel that way now. Moreover, Carter, though his electoral victory over Gerald Ford was far narrower than Reagan's victory last fall, arrived in office riding a larger wave of personal popularity than Reagan does now. Four years ago, 62% of the public expressed trust and confidence in Carter. Now just 48% feel that way about Reagan.

But the poll also discloses that while the national mood is darker than four years ago, people are much more realistic about what the new President can accomplish quickly. While expressing hopes that he can improve the national welfare on a wide array of fronts, Americans also share a widespread recognition that noticeable changes may take a while.

About three-quarters of the voters, for example, believe it will be more than a year before any significant progress can be made in curbing inflation and balancing the budget, in making the Social Security system healthy, and in achieving peace in the Middle East.

Slightly more than half of those surveyed also feel that more than a year will be required to improve the nation's defenses, re-establish American prestige abroad, trim waste from Government, deal effectively with the Soviets and reduce unemployment. Though the poll does not measure just how long Americans will be patient about these problems, it does show that Reagan is not expected to be a miracle worker.



On the other hand, hopes are high that Reagan will swiftly assert more leadership than Carter did. Two-thirds of those questioned expect noticeable results in that aspect of presidential performance within the first year of the Reagan Administration. Similarly, voters anticipate a fast turnaround in the relationship between the President and Congress, with 71% saying it is realistic to expect improvement within a year.

The three principal promises made by Reagan during his campaign for the presidency were the pledges to balance the budget, cut taxes and increase defense spending. When considered as a package, those apparently contradictory goals are still greeted with considerable skepticism. Forty-five percent of the people surveyed say they feel that Reagan will be able to make good on all three. The same number, however, say they believe he will not be able to do all three things at the same time.

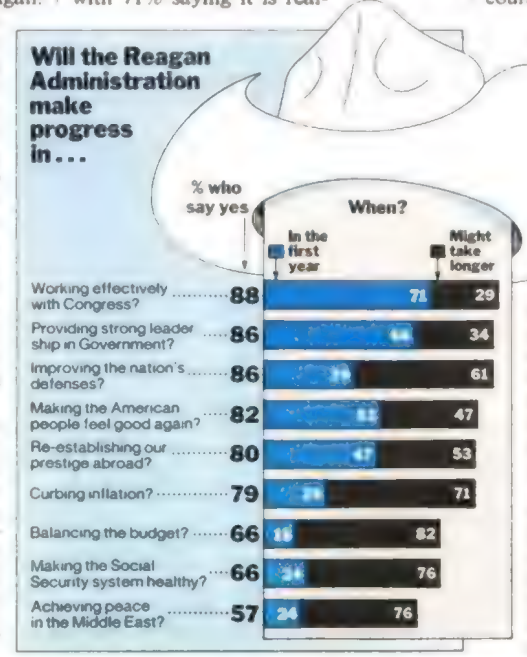
Looking back at the election in the fall, voters do not interpret Reagan's impressive victory as an ideological mandate. Rather, 63% feel Reagan won the election because the voters rejected the Carter Administration. Only 24% think the election result was a mandate for more conservative policies.

That opinion is reflected in what voters now see as the nation's most pressing problems and in what specific policies they hope Reagan will follow. Inflation still leads the list of major U.S. problems in the minds of those sampled. But they show little enthusiasm for any dramatic solution. Sixty-four percent, for instance, say they oppose the idea, advanced by some Reagan advisers during the transition period, of declaring a national economic emergency. Only 23% favor that idea.

Asked to order their priorities among Reagan's economic and spending promises, voters prefer balancing the federal budget (41%). Second most important is increasing defense spending (31%). Yet surprisingly few people (22%) support a tax cut, making that the least popular course of action.

In specifying what type of tax cut they prefer, voters show strongest support for tax incentives to encourage more research and development by business (63% for *vs.* 24% against). A much smaller majority (51%) want an across-the-board tax cut of 10%, as promised by Reagan (*vs.* 25% against). Wage and price controls are still viewed positively as a solution to inflation, but by a close percentage (46% to 39%). When asked whether some environmental controls should be lifted in order to reduce the cost of consumer products like automobiles, more voters say no (46%) than yes (40%).

The poll turned up fresh evidence of a continuing contradiction in American public opinion: though voters generally accept the new Administration's intentions to reduce Government spending and balance the budget, they do not want to dismantle federal programs for health,



*The telephone survey polled 1,219 registered voters on Jan. 6 and 7. The sampling error in a survey of this size is plus or minus 3%. In comparing the results of this study with one conducted in March 1977, shortly after Jimmy Carter took office, the error factor is plus or minus 4.5%.

education and housing. Fifty-five percent are against cutbacks in those programs, while only 36% support such reductions in spending. Even among people who say the first priority of the Reagan Government should be balancing the budget, 57% opposed slashing social programs. Government-imposed product-safety standards are also favored by a strong majority (58%), even though those measures may make consumer goods more expensive.

On other domestic issues, public opinion is neither very conservative nor very liberal. Passage of the Equal Rights Amendment, which Reagan opposes, is still favored by a majority. Gun control, also opposed by Reagan, is supported by more than half the voters. Reagan's support for an amendment to prohibit abortions is not shared by 46% and is endorsed by only 39%.

On the other hand, a few conservative nostrums do enjoy support among a majority of voters. Reinstitution of the death penalty is favored by 68%. The same percentage want to permit prayer in public schools. Providing federal funds to parochial schools is favored by 58%.

The poll discloses relatively moderate views on American foreign policy, even among voters who hope that Reagan will restore American prestige abroad and deal more effectively with the Soviet Union. Asked what U.S. response they would favor if the Soviet Union were to invade Poland, a large majority (68%) support economic sanctions against the Soviets even if they have to be imposed unilaterally by the U.S. But there is opposition (61% against) to sending U.S. troops to protect Poland. Americans also favor, as they have for years, a new strategic arms limitation agreement with the U.S.S.R. Support for another SALT treaty is, in fact, overwhelming: 60% are in favor; only 19% are opposed.

Perhaps because of Reagan's low profile during the lengthy transition period, his image among voters has remained remarkably constant. Sixty-one percent say they have not changed their views of him because of his conduct so far. And while there may be doubt about Reagan personally, there is no great discomfort about his ideological posture or about the views of his Cabinet. Fifty-three percent find Reagan neither too conservative nor too liberal, and 47% feel the same way about the Cabinet. Among Cabinet members and advisers, Alexander Haig, Reagan's choice as Secretary of State, draws the largest unfavorable response, 25%, though far more, 44%, say they like him.

Thus, at the dawn of the Reagan era, Americans hope that their new President will begin to solve the nation's problems, even though they are somewhat skeptical about both the man and his ideas. More than anything else, the public seems willing, at the moment, to wait and see. *—By John F. Stacks*

The Presidency/Hugh Sidey

When a Fed Was a Friend

There is no precise time recorded when a majority of Americans looked up and decided that their Government had ceased to be a friend and helper and had become a hindrance. The best guess is that it occurred long before the November election, when it was finally and firmly established by the political process.

Ronald Reagan's Inaugural Address was the loudest statement yet by the aggrieved. The No. 1 victim stood before the nation proclaiming avuncular outrage over the federal family he had just inherited. Government is the problem.

It is not that simple, and Reagan knows it. The Sixth Fleet still steadies the Middle East, 35 million Social Security checks still go out the third of every month —and most of them are made out correctly—and we still need regulation for airways and hospitals.

Yet there is no denying the modern tragedy of deep alienation between vast segments of our society and large parts of the federal establishment. We stand separate, hostile and at times dedicated to punishing and humiliating each other. It could turn out that Reagan's most important domestic contribution will be to reconcile these attitudes, to change the feeling and understanding between the Government and the governed. That could be more significant than all the new laws passed and all the old regulations rescinded.

A while back, a young Labor Department aide studied the much hated Occupational Safety and Health Administration and then stepped back to think about it. OSHA, he concluded, was ill-directed, badly staffed and angry over its job. Each morning unthinking and miserable people at the agency marched forth to punish the society that had put them there. Hence the dreadful reputation of OSHA. Eula Bingham, who became director in 1977, worked a near miracle in her time, changing most of all OSHA's low state of mind. But that was only one small corner of this monstrous federal machine, which in days gone by was welcome in hamlets and cities everywhere.

Humphrey, age ten, in South Dakota

The late Hubert Humphrey used to love to tell the story of the men from the Department of Agriculture in Washington who came to rescue his baked, broke and forgotten prairie town of Doland, S. Dak., in the midst of drought and Depression. Those fellows were white knights to Humphrey, they were missionaries, they were the reason Humphrey put so much faith in Big Government. Yet even H.H.H. before his death sometimes despaired at the way insensitive bureaucrats had forgotten that they existed to serve, not to threaten.

The world has changed since the New Deal, of course. Government must now more than ever arbitrate internal conflict and administer scarcity, hardly pleasant tasks. But need Government be so obtuse and at times acrimonious?

Before Nelson Rockefeller left the vice presidency in 1977, he talked one night in troubled fashion of how the Government's attitude had changed since he put in his first tour of federal service in 1940 as F.D.R.'s Latin American aide. Back then, Government people considered themselves partners, friends, helpers of the private sector, Rockefeller related. They were often hesitant about intruding, deferential to the citizenry. But in our time, Rockefeller said, many departments, agencies and bureaucracies seemed to view the private sector as an enemy, a foe to be suspected, shadowed and finally subdued. It was all out of whack, said Rocky, and America faced no more important task than to straighten it out.

Nelson Rockefeller and Hubert Humphrey, were they here today, might be nonplused at seeing their old nemesis Reagan carrying this banner, though the chances are they would enlist. It was not really a political affair about which Reagan talked on his Inaugural Day. It was, rather, about the circulatory system of liberty, with Government as the heart that nourishes and protects the body by both its actions and its self-restraints. Regenerating sympathetic and helpful Government and spreading public understanding of the partnership may be the essence of the American renewal that is the task Reagan has set for himself.

COVER STORIES

An End to the Long Ordeal

Flying yellow ribbons coast to coast, a jubilant U.S. hails the hostages

America's joy pealed from church belfries, rippled from flag staffs and wrapped itself in a million miles of yellow ribbon, tied around trees, car antennas and even the 32-story Foshay Tower in Minneapolis. Barbara Deffley, wife of the Methodist minister in Holmer, Ill., rang the church bell 444 times, once for each day of captivity. "At about 200 pulls, I thought I'd never make it," she gasped. "Then at about 300 pulls, I got my second wind and kept going all the way." Massachusetts House Speaker Thomas W. McGee, 56, was too impatient to wait for a ladder, so he shinnied ten feet up a pole to reach the halyard and hoist the U.S. flag over the statehouse in Boston. In Mountain Home, Idaho, some 200 townspeople staged an impromptu parade, driving their cars three abreast, headlights on and horns blaring. Patrolman Joseph McDermott coasted his cruiser to the side of a street in Rochester, N.H., fighting back tears. Said he: "I am overjoyed. I feel proud again."

Joy at the restoration of pride to a nation that had been humbled for too long by a puny tormentor was but one of the many reactions of Americans to Iran's final release of the 52 U.S. hostages last week. There was a sense of relief too. And scorn for Iran. But above all the initial dominant mood was one of continuing celebration, from the moment the first plane carrying the former captives cleared Iranian airspace to the climactic touchdown on U.S. soil of Freedom One just before 3 p.m. on truly Super Sunday at Stewart Airport, 50 miles north of New York City. There in privacy that not even the longest lens of press and TV cameras could penetrate, the returnees from Iran at long last were tearfully reunited with their families to begin two days of quiet time alone at West Point before journeying to Washington Tuesday for the official welcome home at the White House.

As the days passed, however, the public mood turned more somber and then angry as the released Americans began to tell their families and U.S. officials about the cruelty they had endured during their 14½ months in Iran. No one sounded more outraged than Jimmy Carter, whose final days as President and first days as a returned citizen of Plains squeezed him through an emotional wringer. He had known, of course, that some of the hostages who had been released earlier had been verbally abused and psychologically harassed with threats of death—mild treatment compared with the savagery inflicted on many Iranians during the Shah's rule and then later under Khomeini, though unconscionable nonetheless. But during a wrenching visit with the 52 at the U.S. military hospital in Wiesbaden, West Germany, Carter became appalled at the hostages' descriptions of their ordeal.

Before his flight home, Carter stood at a small lectern at Rhein-Main Air Base in Frankfurt. His face frozen in rage and his voice cracking, he declared: "The acts of barbarism that were perpetrated on our people by Iran can never be condoned. These criminal acts ought to be condemned by all law-loving, decent people of the world. It has been an abominable circumstance that will never be forgotten." He denounced the captors as "terrorists" who had committed a "despicable act of savagery." Still livid as he penned a report to the new President, while flying back across the Atlantic, Carter wrote: "Never do any favors for the hoodlums who persecuted innocent American heroes." And he told reporters: "Those were acts of animals, almost."

The intensified animosity toward Iran in the U.S. fed several post-release controversies: Had the Carter Administration dealt too gently with the Iranians in securing the hostages' release? Would—and should—the new President carry out the terms of the agreement? With the Americans safely out of danger, should Iran now be punished and, if so, how?

The first press conference held by William Dyess, the new Administration's acting spokesman for the State Department, mistakenly fed speculation that Reagan might repudiate the agreement. Dyess announced only that the Administration would "study" the details before determining whether to abide by them. As the furor grew, he later explained that the Government "fully intends to carry

A cheering crowd welcomes a U.S. C-9A Nightingale hospital plane as it lands with the former captives at Rhein-Main Air Base

David Roeder endures jeers as he runs to plane in Tehran; Americans arrive in Frankfurt. Below: Carter denounces Iranians

out the obligations of the U.S." so long as they are "consistent with domestic and international law." Some of the terms will undoubtedly be challenged in U.S. courts, but most legal experts believe the courts will follow the lead of Federal Judge Gerhard Gesell who ruled last week that the President had the constitutional authority to make the agreement with Iran.

A repudiation of the terms by either Reagan or the courts would probably hurt the American banks, contracting firms and individuals with financial claims against Iran. The agreement sets up an international arbitration panel (three members to be selected each by Iran and the U.S. and another three to be chosen jointly) to rule on the claims and settle the valid ones from Iranian funds held in escrow by the Bank of England. Said a high official in the State Department: "It seems very unlikely that a conservative Republican Administration will launch its term by taking action that would cost major American banks $1.4 billion."

As negotiated through excruciating marathon sessions in Algiers, Tehran and Washington that repeatedly threatened to end in impasse, the agreement requires the U.S. to renounce any intention to interfere in the internal affairs of Iran, to lift its embargo against trade with Iran, and to ask its allies in Europe to do the same. These provisions have already been carried out, although little American trade is expected to be resumed for quite some time. The U.S. also agreed to help locate any assets of the late Shah and his family in America and to freeze them while Iran tries to establish legal claims to them in U.S. courts.

The most complex provisions involve the Iranian assets frozen by Carter at the beginning of the hostage crisis and estimated by the U.S. to total about $12 billion. They include: $2.4 billion in gold, securities and cash, which was under the direct control of the U.S. Government; $5.5 billion in overseas branches of U.S. banks; and $4 billion held by U.S. banks and companies that had been tied up in suits against Iran by U.S. firms and individuals. Carter signed an order requiring the Justice Department to ask the courts to dismiss these suits and let the claims be judged by the arbitration panel. The U.S. also agreed not to seek compensation from Iran for damages to the U.S. embassy in Tehran, and to prohibit the hostages from suing Iran. Actually, under the technical terms of the deal, once the hostages were freed, Iran immediately received only $2.8 billion in cash and gold (*see* ECONOMY & BUSINESS).

Those arrangements and the safe release of the hostages were cited by Carter's closest aides as a "vindication" of his yearlong hostage policy. They were incensed when they heard some of the new Reagan officials question the agreement's soundness. One Reagan aide claimed that the new President would not have made a similar deal. Asked if Carter had given away too much, the official replied: "Yes. The initial mistake made by Carter was to say that the U.S. would not negotiate with barbarians and then promptly proceed to negotiate with them. That was wrong. This Administration will not negotiate with barbarians or terrorists."

But freedom for the hostages, not partisan finger-pointing, was on Carter's mind as he sweated out his final two days in the Oval Office. After napping on a sofa for only 45 minutes Sunday night, he appeared in the White House press room at 4:56 a.m. Monday, his face drawn and devoid of emotion, to announce: "We have now reached an agreement with Iran that will result, I believe, in the freedom of our American hostages."

At 9:20 a.m. Reagan phoned Carter with a gracious offer: if Carter was no longer President when the hostages reached West Germany, Reagan wanted him to greet them there on behalf of the U.S. Carter was grateful, but thought he could make the trip before he and Rosalynn were to entertain the Reagans at the traditional pre-Inauguration coffee pour on Tuesday at 10:30 a.m. at the White House. By 2 p.m. on Monday, Carter knew that his time had run out. He called Reagan to accept the invitation.

Incredibly, Carter was still a captive of the ever unpredictable Iranians through a second virtually sleepless night. Before dawn, he knew that final agreement on the technicalities for release had been reached. The money had been deposited in the Algerian account at the Bank of England for transfer to the Iranians. At 8:06 a.m. his red phone rang. He was told by Deputy Secretary of State Warren Christopher that two Air Algérie Boeing 727 jetliners had been cleared for takeoff at Tehran's Mehrabad Airport. One was to carry the Americans, the other the Algerian doctors who had examined the hostages in Tehran to certify that they were all in good physical health. A jubilant Carter asked Mondale to tell congressional leaders that release was imminent. But then, hour after hour, the flight to freedom failed to take off, apparently because the Iranians wanted to hand Carter one last insult.

Carter's spirits sank. Dismayed, angry and frustrated, he had to be helped physically by his aides as he walked from the Oval Office, past the Rose Garden, to the upstairs family quarters to get ready for the Reagans. "He was as near despair as I have ever seen him," a top aide recalled later. "It was incredible agony."

Meanwhile, Navy Captain Gary Sick, the Iran expert on the National Security Council, kept two phone lines open; one was to Christopher in Algiers, the other to Carter. If there was no word of takeoff by noon, Carter had joked to the officer, "Captain Sick will be Lieut. (j.g.) Sick."

But all through the morning, Sick relayed the bad news to Carter, which was that there was no news about takeoffs in

Former captives chat with a serviceman carrying a baby on the hospital grounds

Nurse escorts Roeder to the dental clinic

Returnees toss an autographed newspaper to well-wishers at Wiesbaden

Laingen gets ready to go home

Tehran. He called him away from coffee with the Reagans in the Blue Room, rang him as Carter and Reagan rode together to the Capitol in the black presidential limousine, reached him again at a phone in the Capitol Rotunda. During Reagan's Inaugural speech, Carter briefly closed his red-rimmed eyes, a moment caught by television cameras. He had been praying for the hostages, he later told aides, who had wondered if he had fallen asleep.

Some 6,350 miles away in Tehran, the Americans were enduring a final episode of psychological abuse. Most, if not all, had been assembled by Iranian revolutionary guards at an undisclosed site in northern Tehran, probably the opulent mansion once owned by Hojabr Yazdani, a wealthy cattle breeder and industrialist who is now a fugitive from Khomeini's regime. They had been examined by the Algerian doctors, but the hostages had not been told that they were to be released. Ahmad Azizi, the Iranian government's second-ranking spokesman on the hostages, claimed later: "It would have been too painful for them if the negotiations had somehow broken down." Even when they were finally told that they were going home, said Azizi, "they did not believe it. They moved about like sleepwalkers."

That was understandable. The Americans had been divided by their captors into at least two groups for transportation to the airport in buses with blackened windows. The Americans then were run through a gauntlet of chanting militants. While some hostages thought the dozens of militants forming a corridor to shout "Death to America!" at them were just performing for propaganda effect, others were genuinely frightened and reported that they had been kicked and shoved during their last steps on Iranian soil.

Once inside the white airliner, the Americans waited another 25 minutes. The delay, some were told, was to complete the paper processing that would prove that all were aboard. Each had to sign a passenger list. Actually, the Algerian crew at the first plane's controls was not permitted to roll the craft down the runway until 12:33 p.m., Washington time —some five hours after everything had seemed set for release and just eleven minutes after the Inauguration ceremony had ended on the Capitol's West Front.

Carter and Mondale were heading for Andrews Air Force Base in a limousine when Sick told them that the Americans had made a "safe departure." The two highest officials of the just-retired Administration looked at each other in relief as tears trickled down their cheeks. In what was meant as a farewell review of troops at Andrews, Carter listened to his final 21-gun salute, then warmly embraced Anita Schaefer, wife of the senior military officer among the hostages, Air Force Colonel Thomas E. Schaefer. "Mr. President, I hope some day you'll meet my husband," she said. "Tom is in the air now," replied Carter. "I'll be with him tomorrow, and I'll tell him you love him." Both sobbed softly as they hugged again.

As Carter boarded Air Force One, redubbed SAM 27000 (Special Air Mission) to return to Plains, champagne corks popped aboard the Air Algérie 727, which was headed west over Iran. Now the Americans were all together for the first time since their imprisonment. They embraced emotionally. They excitedly roamed the plane's aisle, comparing experiences in captivity and wondering what had been happening in the outside world during those 14½ months.

In Washington, where it was 1:50 p.m. when the jet cleared Iranian airspace, the State Department began informing the families that the hostages were free at last. Carter quickly got the word too, and his airborne party, including Zbigniew Brzezinski, Hamilton Jordan, Jody Powell, Jack Watson and Stuart Eizenstat, struggled with laughter and tears at the same time. Phil Wise rushed into the plane's press section to paraphrase a Martin Luther King Jr. line that applied aptly to both the Carter Administration officials and the hostages: "We're free, we're free; thank God almighty, we're free at last."

Arriving in Plains, Jimmy and Rosalynn Carter walked through a chill drizzle as some 3,500 Georgians shouted a welcome. Pale and tired, the two nevertheless smiled happily. Carter clambered atop a flatbed truck and announced that every one of the 52 was alive, was well, and was free. Amid cheers and tears, Carter wiped away a few of his own, before declaring: "They are hostages no more, they are prisoners no more, and they are coming back to this land we all love."

The freedom flight touched down in Athens for refueling and then headed for Algiers. It landed at Houari Boumedienne

The Gallegos family sees freed Marine Sgt. William Gallegos on television

The Plotkins learn that Jerry is safe

Mattie Jones exults at release of Husband Charles

Dorothea Morefield gets the good news

Airport in a rainstorm. In the glare of television lights, Bruce Laingen, the chargé d'affaires at the Tehran embassy, led Kathryn Koob and Elizabeth Ann Swift, who wore the familiar yellow ribbons in their hair, down a ramp and into the arms of the normally undemonstrative Christopher. Despite beards, the faces of some of the men reflected their exuberance. They flashed victory signs and clenched fists and shouted to throngs of spectators: "Thank you! Thank you! We made it!"

This first glimpse of the released Americans, beamed to the U.S. live by satellite, was reassuring. Dressed in an incongruous variety of clothing—Marine fatigues, red T shirts adorned with eagles, turtleneck sweaters and sports shirts—the group looked like healthy, but weary, American tourists as they sat on folding chairs for a 35-minute reception inside the airport terminal. Sipping coffee and orange juice, they expressed themselves in typical American idioms: "Fantastic, absolutely fantastic." "Pretty goddamn good, I'll tell ya." "It's good to be out of Khomeini land."

After a brief formal ceremony officially transferring custody of the Americans from Algerian intermediaries into U.S. hands, the returnees found themselves back in the grasp of a benevolent bureaucracy. They were asked to line up by alphabet: those with last names starting from A to K were directed to board one U.S. C-9A Nightingale hospital plane; the rest were assigned to a sister aircraft. Now the rain stopped, stars became visible and some of the Marines broke into a sprint for the waiting planes. The winner of the race thrust his arms in the air and shouted: "God bless America!"

Airborne again and on their way to Frankfurt, the Americans were given fur-trimmed parkas to replace their skimpy jackets and raincoats. The mood grew more festive as more bottles were opened to celebrate the Americans' return to U.S. sovereignty, made tangible by the comfort of the military planes. The men hugged each other; the two women were both hugged and kissed. As they passed over France, air controllers radioed: "Welcome to French airspace. We praise the Lord for your return."

Landing at Rhein-Main Air Base before dawn on Wednesday (12:43 a.m. in Washington), the Americans were met by former Secretary of State Cyrus Vance and rushed toward two blue buses. Colonel Schaefer, however, headed instead toward a crowd of spectators, embraced several onlookers and chatted with them. Did he know them? "No," he replied to a fellow passenger on the bus, "but it felt good." On the 25-mile ride to the hospital in Wiesbaden, one of the former hostages raised his hand and sought permission to ask a question. Another asked whether he could light a cigarette. They were reminded by one of the escorts that they were free now and could do what they wished.

At Wiesbaden a banner proclaimed WELCOME TO THE FREEDOM HOTEL. The returnees occupied either two- or four-bed hospital rooms along a blue-carpeted corridor with yellow ribbons festooned over each door. The Americans could watch three German TV channels, but preferred the English-language armed forces station. In a third-floor library they could catch up on U.S. newspapers and magazines and even watch video tapes recapping world events they had missed, ranging from the Soviet invasion of Afghanistan to the death of Mae West.

They scrambled into a telephone room, where 24 of them at a time could call anyone they wished at Government expense. In the early hours of Wednesday, Washington, D.C., time, those long-silent voices sent their relatives in the U.S. into shouts of joy and expressions of affection as the broken threads of family life were tentatively rejoined. At 2:30 a.m., Alice Metrinko picked up her phone in Olyphant, Pa., to hear her son Michael, 34, say, "Hi, Mom." They chatted for 45 minutes. She asked why he had seemed to be hiding from the TV cameramen in Algiers. Well, he said, his shirt was ragged and dirty, and his trousers had no cuffs. He had lost about 40 lbs. but insisted, "Oh, Mother, I feel fine." His first wish on getting home, he said, was to do some painting around the house. "The

bathroom needs painting," he was told. "Good," he said.

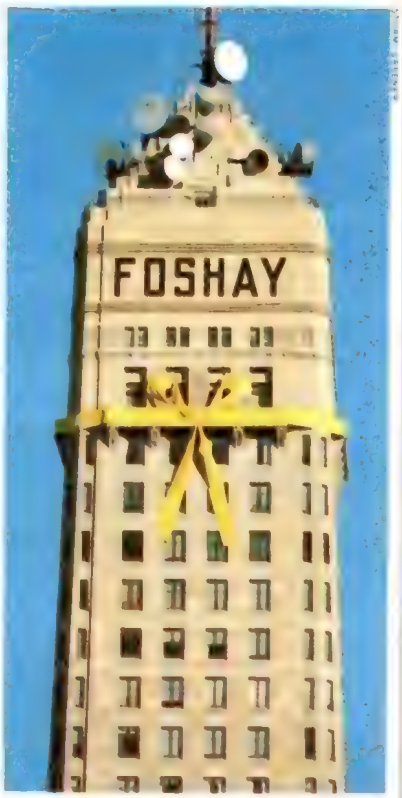
In San Diego, Dorothea Morefield, who may almost have been serious in jesting that "I'm getting tired of the color yellow," also had a quip when her husband Richard called from West Germany. She pleaded, "The next time you're going to be late for dinner, please call." When John E. Graves reached his son Martin in Reston, Va., he confided, "Believe it or not, I didn't think I could, but I've discovered that I can find my way to the toilet alone."

Phillip Lewis had some ready advice for his son Paul, who called from Wiesbaden. Lewis, who lives in a small farming community south of Chicago, had last heard from Paul when he had phoned from Hungary to say that his next diplomatic post would be in Tehran. "You damn fool," the father had said. "You don't know what you're getting into." This time when Paul called, Lewis said in mock seriousness, "Maybe you'll listen to your old man from now on." Despite her vast relief that her husband Barry was safe, Barbara Rosen of Brooklyn echoed a refrain heard often among the other families. "The servicemen who went over in that rescue attempt were the true heroes of this entire Iran crisis," she said, "because they went over knowing full well that they might not come back." Eight of them died in the Iranian desert in April.

After calling home, the Americans at Wiesbaden turned to a more tedious task: debriefings by intelligence officers and a series of medical and mental tests. Said a psychiatrist at the hospital: "We are looking for physical signs of stress, like migraines and ulcers. We try to spot signs of depression or suicidal tendencies. Hyperactive chatter is another sign of possible disturbance."

The returnees turned out generally to be a surprisingly stable group. Dr. Jerome Korcak, the State Department's medical director, reported that no major physical ailments caused by captivity had been detected among the 52. Some suffered "post-traumatic stress," he said, but all cases were treatable. None, he said, would be "permanently disabled." He reported that none of the Americans had developed any tendency to become emotionally dependent on their captors, and that early brainwashing efforts by the Iranians had been "completely unsuccessful." A few felt some guilt about "statements they made under duress," and some would feel "many stresses" in adjusting to normal living, but, predicted Korcak, all "could cope with what awaits them back home."

Before heading home, the Americans faced an emotional test of a different sort in Wiesbaden. They assembled in a brilliantly lighted community room on the hospital's third floor to meet Jimmy Carter. He had boarded a helicopter in Plains at 5:30 a.m. on Wednesday to get back to SAM 27000 at Robins Air Force Base, where some of his former top officials, including Mondale, Secretary of State Edmund Muskie, Treasury Secretary G. William Miller, White House Counsel Lloyd Cutler, Jordan and Powell awaited him for the 8½-hour flight to Frankfurt.



A welcome-home ribbon in Minneapolis

At Wiesbaden, there was tension in both parties as Carter met the former hostages whose lives he had, in a sense, held in his hands. He did not know how they felt about his failure to free them sooner. Stiffly and nervously, the former President and his top aides shook hands with the returnees one by one. Suddenly a former hostage impulsively wrapped his arms around Carter. The tension snapped. Said Muskie later: "The mood turned warm and personal." Added Jordan: "You could feel your emotions tugging you."

Now Carter chatted more easily, holding up three newspapers, which bannered the release of the hostages and gave Reagan's Inauguration secondary play. "As you can see," said Carter, "we've had a change of presidency, but even that was second in people's minds." The returnees laughed heartily. Carter urged the former hostages to return home as a group. "Some of you are ready to leave," he said, "but some are not. You all need a chance to get acquainted with freedom and lend each other your support." All of them, he said, were "heroes."

Then he fielded questions. Why had he not tried a rescue mission sooner? asked a Marine. Carter took full blame for the desert tragedy, and drew applause. He told them that relatives of those who died in their mission had expressed to him their joy at the release of the 52. Carter concluded with a defense of the agreement reached with Iran. He noted that Iran had received only about $3 billion of the $12 billion in assets he had frozen, and joked: "I was afraid you'd be upset that they didn't get more of their money." Carter was applauded once again. If any of the returnees had reservations about that deal, none expressed them.

The former Commander in Chief also was reminded of the facts of military life. He was told that when the nine Marines who had been held captive first reported to the senior Marine colonel at Wiesbaden, their disheveled leader snapped off a salute and said: "The Marine squadron from Tehran reporting for duty, sir." Returning the salute, the smartly uniformed officer ordered them to march off to the Wiesbaden barbershop and get rid of beards and long hair. They did.

The civilians, too, among the former captives took hot showers to get ready for the last leg of their historic odyssey: the final flight home. After a reunion with their families in the seclusion of the U.S. Military Academy at West Point, N.Y., the liberated Americans were to be guests of the new Reagan Administration at a subdued ceremony at the White House this week. The families of the eight who died also will be honored.

Then the newest of America's heroes will try to pick up the routine of their lives. Greg Persinger will go home to Seaford, Del., and serve as best man at the wedding of his close friend Frank Thomas, who postponed his marriage until Greg could attend. In Hurst, Texas, Navy Lieut. Commander Robert Engelmann will find his Saab, which had been gathering dust for more than 14 months in the driveway, polished and ready to roll. Steven Lauterbach will work his way through 1½ filing cabinets of letters sent to him by well-wishers and saved by his mother in Dayton. But Lauterbach's father Eugene is unlikely to get his wish: "I hope I never hear the word Iran again."

—By Ed Magnuson. Reported by Lee Griggs/Wiesbaden and Johanna McGeary/Washington

Flame and flags in Hermitage, Pa.

Special Section

Tales of Torment and Triumph

Throughout their captivity, the will of the hostages never broke

Mock executions carried out by white-masked "firing squads" that clicked rifle bolts behind the backs of hostages spread-eagled against a wall. Iranian guards playing Russian roulette with revolvers held to the heads of two bound American women. Prisoners confined in basement cells where they were prevented from seeing sunlight for months, forced to sleep for weeks in the clothes they were wearing when captured, denied baths for as long as three months, afraid even to look at each other because their captors thought they might be exchanging eye signals.

These are among the frightening and sordid circumstances of imprisonment reported by the 52 hostages in phone calls to their families during their first hours of liberty, or related by hostages who had been released months ago and at last felt free to speak. The full story of their ordeal is far from told. The first fragmentary reports indicated that the hostages were not subjected to the physical tortures that Iranians have inflicted on each other for centuries, but the Americans did suffer relentless psychological abuse and physical mistreatment that ring in American ears as a tale of horror.

The hostages' stories are also—and much more important—a tale of pride, studded throughout with gems of understated bravery. Though they were underfed, terrified and tempted at times to think the U.S. had forgotten them, none of the hostages seems truly to have given way psychologically to the captors. Instead, they fought back. At least three repeatedly tried to escape, though guards beat them with fists or rubber hoses when they were caught. Terri Tedford, 24, a secretary who was among the 13 freed in November 1979 after 16 days of captivity, told Iranian guards who held a gun to her head that they could go ahead and shoot. Michael Metrinko, 34, an embassy political officer who was released last week, valiantly denounced his captors as "liars, bums, everything" before Iranian TV cameras that were filming propaganda pictures of the hostages; the film was supplied to U.S. networks last Christmas but the Iranians had erased the sound.

The hostages' stories begin with a previously unpublicized narrative of the heroism of Sergeant James M. Lopez, 22, the lone Marine guard on duty at the consulate building in the U.S. embassy when Iranian militants stormed the compound on Nov. 4, 1979. For nearly three hours, Lopez singlehandedly kept the invaders out of the consulate, primarily by using tear-gas grenades. "At one point, the students tried to break into the consulate through one of the windows, but he beat them back," reported Mark Lijek, 29, a U.S. consular official.

While the invaders were recovering from the tear gas and regrouping for fresh assaults, Lopez herded some 60 people —14 Americans, the rest Iranians who had gone to the consulate for visas—upstairs to the second floor. There he divided them into small groups that he dispatched downstairs to slip out onto the streets through a side door. Five Americans, including Lijek, managed to steal through back streets to the Canadian embassy, where they were hidden and soon joined by a sixth. They were all spirited back to the U.S. just a year ago this week.

Lopez joined the last group to leave the consulate. They got out of the embassy compound but were captured by a group of militants on a nearby street. When he was finally released last week, Lopez told his parents in Globe, Ariz., that for much of the past 14½ months he had been "kept in some really bad-hole places, like closets," and beaten several times. But he added, "At least I got some of the others out, right?"

Once the embassy was captured, the worst period of the hostages' ordeal began. Fresh details of the early days of captivity were disclosed last week by some of the eight black men and five women who were released after 16 days by the Ayatullah Ruhollah Khomeini as a propaganda move, and by Richard I. Queen, 29, the embassy's vice consul, who was let go last July because he was suffering from multiple sclerosis.

Immediately after the capture, said Queen, several of the hostages were held in small rooms at the embassy, while others were led blindfolded through streets filled with mobs screaming for their death. Two weeks after the takeover, many of the hostages were herded into the "Mushroom Inn," their nickname for the windowless basement of the main embassy

Hostages in the final hours of captivity, as photographed by Iranians while undergoing medical examinations or as they boarded an Algerian

Photographs by Sygma

building, which their captors had divided into small rooms to serve as cells. The hostages' hands were bound, and some were forced to sit for as long as 16 hours a day, facing blank walls. Queen was imprisoned with a roommate, Joseph Hall, 31, the operations coordinator in the defense attaché's office, to whom he was not allowed to speak (though they did exchange whispers now and then). No sunlight penetrated the rooms. Said Queen: "You couldn't hear the outside world. It was like living in a tomb. I stayed in the Mushroom from late November to mid-March."

In those early weeks, some hostages were repeatedly led out for interrogations by guards who tried to get them to divulge secret information or admit that they were spies. Lloyd Rollins, one of the black hostages released early, described to a TV reporter last week how guards played Russian roulette with two female secretaries: "They stuck bullets in the chambers of pistols, and they pulled the triggers as they were trying to force them to open up official files of the embassy." One of the secretaries was Terri Tedford, whose father Orville told TIME that his daughter had been strapped blindfolded to a chair for nine hours. He added: "The gun was held to her head for the entire time as they accused her of being a CIA agent. She figured that they were going to kill her anyway, so she told them they were a bunch of s.o.b.s."

Airman James O. Hughes, 31, another hostage released after 16 days, spent most of his captivity tied to a chair blindfolded; guards sometimes placed a blanket over his head. During repeated interrogations, his guards constantly played with their guns. Said Hughes: "I thought they might kill me just for the hell of it." Though he told his captors nothing, he said, the experience so unnerved him that he sought psychiatric help after his release. Explained Hughes: "Sometimes I still dream that I open a door and an Iranian wearing this big face of Khomeini on his chest shoots a gun at me."

This period of extreme psychological stress seems to have gone on for months. The most grisly incident occurred last February. Queen's full account of it, as related last week to TIME Correspondent Mary Cronin:

"It was 1 a.m. I was in the bathroom washing up when a guy in a white mask came in and told me to get out. I told him I'd finish washing; he grabbed me and started pushing me along the hall toward a big room. I had never seen that kind of behavior before: pushing, shoving, yelling. All the hostages from the Mushroom were there, lined up against the wall. They pushed me against the wall and kicked my feet apart. After the shouting there was complete silence. That's when I heard the clicking of the [rifle] bolts. I was really sure that I was breathing my last. I said the Lord's Prayer and tried to give myself last rites. I waited for the loud noise. Nothing happened." After what he believes to have been about 45 minutes, Queen became aware that the hostages were being led away one by one. Eventually, he was taken into a side room where guards stripped him to his underpants ("I guess you would call it searching"), then back to his own room, which had been torn apart by militants apparently looking for weapons.

Other hostages added further details to what Queen calls "the night of the Gestapo raid." One group of captives was ordered to lie down, but Navy Commander Don Sharer, chief of the Air Force section in the embassy's defense liaison office, shouted defiantly that if he was going to be shot anyway he would die standing. So the hostages were spread-eagled against the wall instead. Hostage John E. Graves, 53, a public affairs officer, could not hold both his arms up against the wall for a prolonged time; when he let one drop, he was beaten on the head.

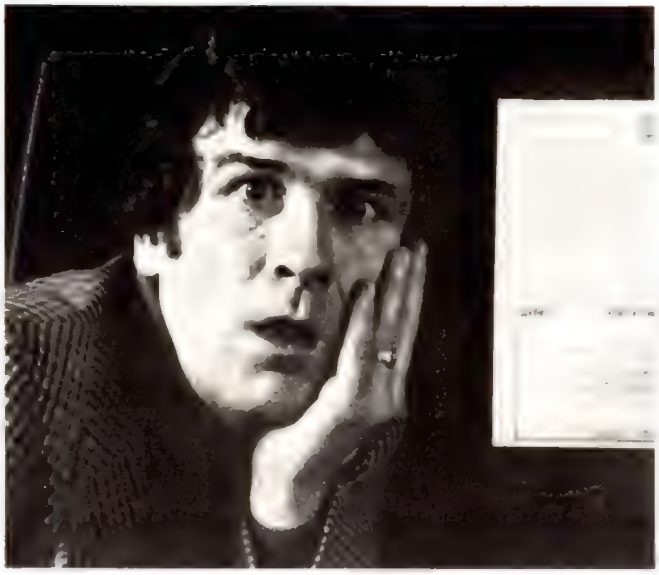
From the Americans' accounts to their families, it appears that there was one other mass mock execution some time in March and at least one involving a single American, Moorhead Kennedy, 50, economic counselor of the embassy. He told his son Mark that early in his captivity he was dragged outside on a freezing night, a gun was jammed into his back, and he was forced up against a wall. Guards then fired blank cartridges near his ear.

What happened after the initial period of extreme pressure varied according to the hostage and the personalities of his or her guards. When they talked to their relatives last week, the hostages frequently did not distinguish at what period of their captivity various incidents occurred —if, indeed, they remembered clearly. Moreover, because they were held in small groups, the hostages had little knowledge of what was happening to captives who were not their roommates. Thus each essentially could tell only his or her own story.

There does seem to have been a period of relaxation last spring. Some of the hostages were moved into larger and more comfortable rooms. Queen was transferred from the Mushroom to a room in the chancellery building. Its window was bricked up, but some light seeped through cracks in the mortar. Said Queen: "I can't describe what it was like to wake up one morning and see light and hear people again. I remember there were a couple of schoolgirls just walking along and talking and singing outside. It can't be described what it meant to feel life again."

The harassment let up also, at least

airliner at Tehran's Mehrabad Airport: (from left) Barry Rosen, Thomas Ahern, Rodney Sickmann, Jerry Miele, Kathryn Koob and Gary Lee



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for some hostages. Richard Morefield, 51, consul general at the embassy, who was confined in the Mushroom until late March, was moved several times after that; one transfer was to a maximum-security prison, but another was to an apartment block.

After the American rescue effort failed in late April, conditions abruptly worsened. William B. Royer Jr., 49, assistant director of the Iran-American Society, was removed from the 8-ft. by 10-ft. room that he had shared at the embassy with three or four other hostages, blindfolded and taken to another location that he did not specify—if he knew. Again he shared a small room with three other hostages, but the windows of this one were heavily whitewashed so that light could not get through. Also, he told his mother, his meals got worse in both quantity and quality. Said he: "The food decreased and the grease increased." The food seems not to have been very nourishing—by U.S. standards—for any of the hostages at any point of their captivity. Several lost 40 to 50 lbs.

Kathryn Koob, 42, director of the Iran-American Society and one of the two women held for the full 444 days, reported that early on she had been threatened with nightsticks, but the threat seeemed to be essentially psychological. Said she: "It was not a physical threat. They were not swung at me or anything like that." She said she "was treated fairly well physically."

But some hostages seem to have been singled out for especially harsh treatment. John D. McKeel, 27, a Marine guard, was told early in his confinement that his mother had died, and that he would not be released to go to her funeral unless he gave information to his guards—just what they sought from him he did not specify. He did not discover that his mother Wynona was actually alive until he phoned home last week. He told her that he had refused to tell the guards anything but his name, rank and serial number. As a result, he was beaten and one of his teeth was knocked out. Most of the hostages were allowed 20-minute walks outside their rooms once a week without harassment, but Jerry Miele, 42, a communications officer, had to beg for his walk. When he did get out, a guard kept playing with the trigger of an automatic weapon pointed at Miele's chest.

The maltreatment seemed to fall into definite patterns. Among the several hostages kept in solitary confinement for long periods were two senior captives: Lieut. Colonel David Roeder, 41, assistant air attaché at the embassy, and Elizabeth Ann Swift, 40, chief of the political section. The captives given the most severe treatment of all were the most rebellious, of whom there were several.

Malcolm Kalp, 43, a communications employee, was kept in solitary for 374 of the 444 days and frequently beaten. The reason: he tried several times to escape. Clair Barnes, who served in the communications section, said that other hostages who attempted to flee in the first days of the occupation were beaten with rubber hoses.

Sergeant Donald Hohman, 38, an Army medic, repeatedly fasted to protest the treatment of the hostages. Said he: "They would throw me into solitary every time I would fast. I guess I bugged them by not cooperating with anything they wanted me to do. Until we got onto the plane Tuesday, I hadn't really seen many of the other hostages."

Robert O. Blucker, 53, a State Department petroleum economist, got off the plane in Algiers looking rather natty in a three-piece suit and tie. In a phone call to his mother, Mrs. Hazel Albin of North Little Rock, Ark., he said that he had been wearing the suit when captured and had been given no other clothing during his detention except another pair of pants. He had once slept in the suit for 45 straight nights, and had not been allowed to take a bath for three months. The reason, he assumed, was that he had been "belligerent and uncooperative." He explained: "I had a shouting match with the guards about every day." Had he been punished otherwise? Said Blucker: "Yeah, they knocked me around a couple of times at the beginning, but toward the end I don't think they wanted to beat anybody up if they could help it."

Besides the harassment, the Iranians tried more subtle ways to break the hostages' will. They allowed little mail to get through to the captives. Roeder said the guards burned "millions of Christmas cards" sent to the hostages in 1979; others tell of mail torn up before their eyes. The captives were allowed only heavily censored accounts of what was going on in the outside world. Stories about Iran and their plight were torn out of magazines, including TIME and *Newsweek*, that were circulated to the prisoners, but the guards did not censor the tables of contents, so the hostages could tell what stories were missing. Petty indignities continued to the very end. Richard Ode, at 64 the oldest hostage, had his shoes taken away the day he was captured. He shuffled about barefoot or in socks until he was about to board the plane taking him to freedom—and then the guards gave him only a pair of plastic bedroom slippers. Why? Ode said he did not know. "They're all insane anyway."

Despite the almost constant surveillance of the captors, the isolated hostages figured out ways to communicate with each other. In the early days they were taken to the bathroom with a guard; initially the guard would enter the bathroom with a hostage, but

The Man Behind the Blindfold

William Belk in captivity and in freedom

From the beginning, he was a symbol of the crisis, an anonymous, blindfolded victim being taunted by an enraged Iranian mob soon after militants seized the U.S. embassy. During the next 14½ months, his picture was published again and again as emblematic of the ordeal of all the American hostages. The blindfold was finally lifted last week, and he was identified by friends and relatives as William Earl Belk.

A 20-year veteran of the U.S. Air Force and the Marines, Belk, 43, became a communications specialist at the embassy only a month before the takeover. His second wife, Angela, 23, of Columbia, S.C., had her bags packed and was preparing to join him when the embassy was seized.

Mrs. Belk burst into tears when she first saw the photograph of her blindfolded husband. A few days after the takeover, she picketed outside the South Carolina statehouse on behalf of the captives. Then Angela Belk withdrew from the public eye.

For most of the 14½ months, she refused to talk to reporters. As the months passed, she became increasingly convinced that she would never see her husband alive again. At one point she asked State Department officials to stop phoning her because their news was never good. But as the negotiations took a promising turn in late fall, Angela Belk's spirits began to rise. She became actively involved in renovating the three-bedroom house that she and her husband own. She said last week: "I, too, feel that in some ways I have been a hostage."

the Iranians themselves were embarrassed and soon stood outside. So a hostage would scribble a quick note on toilet paper and leave it to be read by the next captive to enter the bathroom. The hostages also worked out a code of raps with the knuckles on a wall at the Mushroom, as do prisoners the world over.

At times the hostages were tempted to despair. Barry Rosen, 36, a press attaché, told a reporter that some feared their nation did not trouble itself about their plight. Said Rosen: "We'd say to ourselves, 'They don't care. The economy is the big thing, not some foreign policy thing.' We figured that people thought, 'Fifty-two hostages, yeah, and what's for dinner?' " But enough mail got through to let other captives know that their countrymen were indeed thinking of them. Jerry Miele received one message from a stranger in the U.S. containing a drawing of two sets of footprints merging into one. He interpreted the drawing to mean that God was walking with him, and it raised his morale.

The hostages devised other, sometimes quite mundane, ways of keeping up their spirits. Like some other captives, William Keough, 50, a school superintendent, jogged endlessly around his tiny room for miles at a clip. Royer, another would-be runner, clocked up to 2½ miles a day, jogging in place in his cramped quarters. When released last week, he said the first thing he wanted to do after coming home was to buy some good jogging shoes and running clothes —and some sturdy socks.

The mental torment continued to the very end. As the hostages were actually being escorted to the planes that were to take them to freedom, the guards implied that only some would be let go and others would be left behind, possibly even shot. Said Hohman of the last suspenseful hours in Tehran and at the airport: "They split us into two groups. I was in the second group; I thought it was because I had been so obnoxious. Just when the planes were warming up, some of the guards asked me to say nice things about Iran and the revolution. At that point I was willing to do whatever would get me the hell out of there, so I said one quick thing and off I went." Even while walking across the tarmac through a jeering crowd, Jerry Miele would not permit himself to believe that he was actually being released. He steeled himself mentally to being yanked back and returned to the tomblike existence of a hostage.

But the captives were flown to freedom. William Keough, in a phone call to his brother Paul, pronounced the last word on the 444-day ordeal of the hostages: "We won this thing. We really beat them around mentally. They had the guns —but we won." ***—By George J. Church. Reported by Joelle Attinger/Wiesbaden, Dean Brelis/New York, and reports from other U.S. Bureaus***

"I Thought I Was Dead"

The first phone call from Gary Earl Lee came at 2 a.m. Wednesday, and his wife Pat wept uncontrollably when she first heard his voice, clear and firm, from Wiesbaden. Lee, 37, the son of a missionary in India, had been in Tehran since May 1979, serving as an administrative officer. His posting to Tehran was his sixth overseas assignment, including duty as coordinator of logistics for Henry Kissinger's "shuttle diplomacy." Now, some 24 hours after Lee's plane had lifted off from Tehran Mehrabad Airport, Pat Lee, 37, waited for the phone to ring again. With her was TIME *Correspondent Susan Schindehette. Her report:*

Pat Lee beamed joyfully as neighbors filed into her modest house in suburban Washington to help clean up after the freedom celebration. One friend tried to buff away the cigarette burns on the living room furniture; another stacked empty champagne bottles in a back room. At 2:10 p.m. the phone rang, and a friend laughed into the receiver, then shouted: "Well, it's about time you called! Ask your wife what happened at your house last night."

Mrs. Lee took the phone. "Hi, baby, how are you?" She ticked off a list of friends who had called from around the world, then asked: "Did I tell you that you got a promotion? Are you excited?" She asked her husband about the hostages' treatment by their Iranian captors and listened now with a grimmer face. "We'll talk about it when I get home," Gary Lee replied.

Hostage Wife Pat Lee

Suddenly Mrs. Lee handed the receiver to me. "I just wanted you to know that we're all glad you're home," I said. There was a slight pause on the other end, marred by the clicks and scratches of a distant connection. Then came his reply: "Well, if it weren't for the press and the Algerians and the American people, we would never have gotten out of this mess."

Lee outlined events of his long captivity. "In the first days, we began to realize that it was going to go to the table rather than to the gun. We knew then that it was going to be a long-drawn-out baby." He said he preferred a military solution at first, hoping for a rescue mission. He and fellow hostages found out about the April mission three months after it failed. Said Lee: "We thought the timing was lousy —too little, too late. But it's easy for me to be brave now that I'm sitting here safe."

Indeed, Lee thought the end had come when he and a number of other captives were subjected to a grotesque mock execution. For Lee, the ruse was all too real: "I bought it. I thought I was a dead man." After the doomed rescue attempt, Lee and the other hostages were removed from the embassy compound and taken from jail to jail. He also spent some time in solitary confinement and had not been outdoors since last June. Lee's summation was terse and chilling: "I was just cannon fodder to them, just another body."

As President Reagan's Inauguration grew closer, the hostages speculated about their prospects, discussing what might happen if the crisis were not resolved by then. Said Lee: "We thought that if Reagan came in, we'd be right back to ground zero, that the whole thing could take another year or two."

Lee was shifted to a hotel near Tehran on Dec. 17, and there he awaited the end of the negotiations. He knew he was finally going to be free when his captors took him to the airport. "When I looked up and realized that it was an Algerian plane, I said to myself, 'This one's going home.' "

Once the hostages were aboard, there was reunion and jubilation: "Bruce German is a good friend; I hadn't talked with him since the Thursday before the takeover. And no one had seen the girls, Kathryn Koob and Elizabeth Ann Swift. There was clapping, screaming and shouting." As soon as the plane was airborne, the celebration began: "The Algerians popped open the champagne before we were even out of Iranian airspace." Summed up Lee: "I can't speak for everyone, but for myself—I belong to the American people for the next two weeks. If some little kid wants my autograph, he's going to get it. I'm glad to be out. And I'm glad to be alive."

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Waiting for news from Algiers in his final hours as President, Jimmy Carter and close aides keep vigil in the Oval Office

How the Bargain Was Struck

Eventually, the reality of a deadline paid off

It was dinnertime on Monday in a Washington preparing to inaugurate Ronald Reagan, and nearly midnight in Algiers, where Deputy Secretary of State Warren M. Christopher was trying to nail down the last elements of the deal to free the 52 American hostages. Christopher picked up the phone that connected him directly to the White House. Using his code name, "Superman," he was immediately put through to the President, and, in comparing notes on the latest impasse in the bargaining, the two men came up with a ploy. When he hung up the receiver, Christopher ordered his State Department plane readied for takeoff at noon, Washington time, the next day, when the Carter Administration's term would end.

The Algerian officials, who were acting as middlemen in the negotiations, were dismayed. The straight-faced diplomat told them: "My authority expires then, and then I'm going." The Algerians swiftly notified Iran of this new development, and over the next 18 hours the 14½-month hostage ordeal finally reached its denouement. Whether the small gambit helped nudge the deal into place no one but the Iranians will ever know, but at least one top State Department aide thinks so: "The exercise proved that deadlines work."

Throughout the first year of the hostages' captivity, any sense of deadline had been totally lacking. The Iranians treated the hostage issue with no urgency at all. State Department analysts now believe that Iran's leadership began to change its attitude toward the American captives about last August. By then, the hard-line Iranian clergy had consolidated their position in the new government and the American economic sanctions were beginning to hurt. And although the Ayatullah Ruhollah Khomeini had said that he was unwilling to negotiate with Carter or his "henchmen," the Iranians began to look for contacts with Washington.

In the first week of September, the West German government informed American diplomats that Iran wanted to open negotiations about the hostages through a secret emissary. The agent was Sadegh Tabatabai, a brother-in-law of Khomeini's son Seyyed Achmed and a former Deputy Prime Minister under Mehdi Bazargan.

Washington knew all about Tabatabai, who had been educated in West Germany. West German Chancellor Helmut Schmidt and Foreign Minister Hans-Dietrich Genscher had begun pressing Iran to release the hostages right after the embassy was seized. Genscher had his first secret contact with Tabatabai early last year in Belgrade at President Josip Broz Tito's funeral. Tabatabai subsequently, in February and March, made several trips to Bonn, one public and ostensibly on other business, the other secret, followed by additional secret trips by other Iranian envoys. West Germany's efforts were closely coordinated with Washington's, and by March it seemed serious negotiations on the hostages might be about to begin. Then came the aborted rescue mission, causing the Iranians angrily to break off the process. It was not until August that the West Germans were able to persuade the Iranians to resume exploratory talks.

Tabatabai in September offered a remarkable test of his credentials and Iran's willingness to get down to business. He sent the West Germans a message that within the next few days Khomeini would publicly spell out four demands in exchange for the hostages' release, and provided the text of those demands. As if he were reading a script, Khomeini interrupted a rambling anti-American speech on Sept. 12 to list the four conditions exactly as Tabatabai had detailed them. They were: a U.S. pledge not to interfere in Iranian internal affairs, the unblocking of Iran's frozen assets, elimination of all economic sanctions and U.S. claims against Iran, and the return of the Shah's wealth in the U.S.

A small working group headed by Christopher was immediately set up and started to prepare bargaining tactics. The group weighed two possible strategies: detailed negotiations that would resolve all the financial and trade issues before a hostage release or a "quick and clean" approach that involved only a simple statement of broad principles by the U.S., which would lead to an immediate release but leave the details for later. The group opted for the quick and clean tactic.

Genscher arranged for two days of meetings between Christopher and Tabatabai in an official guesthouse on the outskirts of Bonn on Sept. 18 and 19. Christopher presented the quick and clean solution, and the Iranian seemed open to the idea. Recalls one U.S. participant in the talks: "He was obviously interested. We thought we were very close to getting something done. At last we had a conduit to Khomeini." But the possible breakthrough was soon smashed. Iraq invaded Iran, and the leadership in Iran turned its attention away from the hostages. The American diplomats switched to the other alternative of detailed negotiations. After the American election, the possibility of a deal faced a new and strict deadline: Jan. 20, the Inauguration Day of Ronald Reagan.

On Nov. 10, Christopher flew to Algeria to present the first specific American response to the four Khomeini conditions, which had been adopted by the Iranian parliament on Nov. 2. Algeria was the natural intermediary because it had been representing Iran's interests in the U.S. since the closing of Tehran's embassy in Washington in April 1980. Two

weeks after the Christopher mission, Iran sent a message that showed some curiosity about the U.S. proposals. On Dec. 2, Christopher arrived in Algiers with added detail on the American position and suggested ways of solving the toughest issue: the frozen Iranian assets.

The Iranian reply this time was a stunner. "It was outrageous," bellowed one U.S. official. On Dec. 21, Tehran demanded the payment of $24 billion in cash and gold. That amount was the Iranian estimate of the value of the assets frozen by the U.S. Government, interest owed to Iran and the holdings of the late Shah's estate. American officials seriously considered breaking off the talks as hopeless. Instead, they decided to ignore the bizarre $24 billion figure and to push ahead with the discussions. The Iranians never again mentioned the $24 billion demand.

The negotiations returned to reality on Jan. 6, when Iran sent the U.S. a list of 15 questions about a new American proposal that had been relayed to Tehran four days earlier. U.S. officials noticed that Iran for the first time was using not only the language of the U.S. draft proposal, but also the American numbers. They had quietly dropped their own estimates of frozen assets in American banks, for example, from $14 billion to less than $10 billion. Working through the night in Washington, State Department officials compiled a lengthy response that was forwarded to Algiers the next day.

But the Algerians did not send the message on to Tehran. They complained that it was too complicated for the Iranians, contending that even they could not understand it. The Algerian action was an incentive to Christopher to come back to Algiers because serious negotiations appeared about to start.

Christopher returned to the Algerian capital on Jan. 8 with a new dispatch for Tehran. After transmitting the message, he decided to stay an extra day or two just in case something might happen. It did. More questions arrived from Tehran on Jan. 10, and then the rush of negotiations continued unabated.

American Ambassador Ulric Haynes Jr. and his wife Yolande hastily cleared out spare bedrooms at the embassy for Christopher and his colleagues. The sleeping arrangements hardly mattered. Over the next twelve days, the U.S. negotiators would rarely nap for more than two hours at a stretch.

As tension mounted, the Americans tried to divert themselves with crossword puzzles and, in spite of their lack of sleep, tennis on the embassy courts. Once, while waiting for a particularly critical Iranian reply, the Americans joshingly cast an imaginary movie of the negotiating drama. They agreed that Henry Fonda or Jason Robards should play the lead, poker-faced Christopher. Karl Malden was their choice as soft-spoken Harold Saunders, the State Department's Near Eastern specialist. Peter Ustinov was assigned the role of Alec Toumayan, the team's balding, urbane interpreter.

Dinners at the embassy featured game from the Ambassador's personal backyard preserve, including duck, rabbit, chicken and lamb. Indeed, by the end of the negotiations, the Ambassador's stock was down to a desert fox, and that, said Arnold Raphel, a special assistant to the Secretary of State, "was probably not very tasty."

The deadline, set by Carter as Jan. 16 and later extended to Jan. 20, seemed out of reach, largely because of the issue of how to deal with the loans that the Iranians owed American banks. Just as the Americans were becoming discouraged about the issue, Tehran provided the solution. Iran said that it would return enough money to pay back the loans. Said one participant in the negotiations: "Suddenly it became very clear that we had a break. We got on the same wave length with the Iranians—a swap." Lawyers, bankers and Government officials quickly pushed to accelerate the development of new figures and accounting details to comply with the Iranian proposal.

The talks moved swiftly on all fronts. At 12:40 a.m. Sunday in Algiers, Christopher went to the Algerian Foreign Ministry to study the Iranian reply to a number of American reassurances concerning the passing of assets from the Algerian escrow account to the Iranians once the hostages were released. It appeared that the gap between the U.S. and Iran was now virtually eliminated, and Christopher phoned Washington. Speaking with lawyerly caution, he told Vice President Walter Mondale: "We do not yet have a final agreement, but we may be very close."

Nearly four hours later, Behzad Nabavi, Iran's chief hostage negotiator, said in Tehran that an agreement had substantially been reached. The Algerians were so certain that the ordeal was near an end that they dispatched a planeload of Algerian journalists to Tehran to cover and film the hostages' release.

By Monday morning in Algiers, there was evidence of further progress. At 7:17, Christopher met with Algerian Foreign Minister Mohamed Seddik Benyahia and signed two declarations that would set up a complex procedure for the return of Iran's frozen assets upon release of the hostages. At the same moment in Tehran, Nabavi was signing his copy of the declarations. "At last I can smile again," beamed Christopher after putting his name on the documents with a felt-tipped pen that he borrowed from Saunders as a sign of appreciation for his work on the accord.

Yet, as so often during the 14 months of the hostage crisis, an unexpected glitch soon developed. Until Monday afternoon, the Iranian Central Bank had not taken part in the talks. When Ali Reza Nobari, the director of the bank, finally saw the agreement, he rejected an eleven-page appendix relating, among other things, to Iran's right to claim deposits or interest that might surface in the future.

The entire settlement was again in question. Christopher worked through the night to keep the settlement on track. After frantic phone discussions between bankers, diplomats and the White House, Nobari's objections were overcome.

By 11:45 a.m. Tuesday Algerian time, some $7.9 billion in Iranian assets had been placed in an escrow account for the Central Bank of Algeria at the Bank of England. Christopher returned to the embassy, telling reporters as he walked in, "Just say I'm a happy man." Inside the building, embassy staffers were about to uncork 24 bottles of Mumm's Cordon Rouge champagne. —*By Edward E. Scharff. Reported by Gregory H. Wierzynski and Roberto Suro/Washington*

Tehran's negotiator Behzad Nabavi announcing the agreement reached with the U.S.

Said an American diplomat: "Suddenly we got on the same wave length—a swap."

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Honorable Deal—or Ransom?

The debate begins over the agreement with Iran

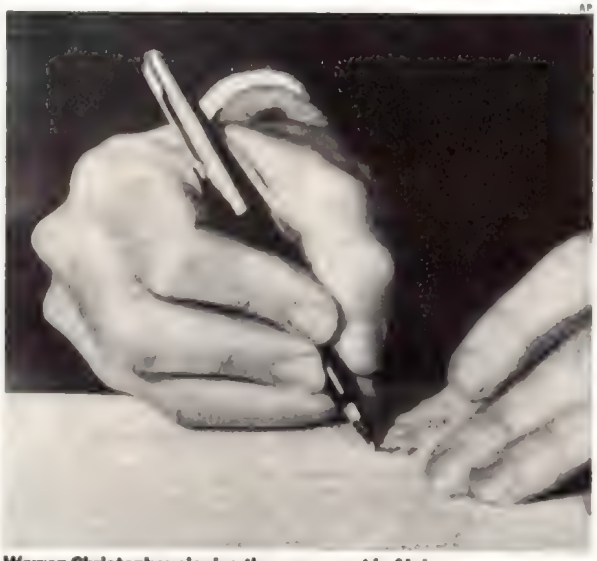
The bells had scarcely finished pealing out the nation's joy over the hostages' release before the debate broke out on a tormenting question: Was the agreement that freed the captives a victory for peaceful, persistent diplomacy, or a humiliating payment of ransom that may encourage further terrorism against diplomats—or a little bit of both? Though the argument was somewhat muted last week by the euphoria surrounding the return of the hostages, it will intensify as outrage over the Iranian militants' harsh treatment of their captives spreads among Americans.

Supporters of the agreement contend, in the words of George Ball, former Under Secretary of State, that "all we did was give them back what they have always owned" —money on deposit in U.S. banks or their foreign branches. Not all, or even most, of the money, either. Jimmy Carter claimed that of the nearly $12 billion in Iranian assets that he froze shortly after the hostages were seized, only $2.8 billion has been returned to the Tehran government free and clear. Most of the rest either was immediately returned to American banks to repay loans to Iran or will be tied up in escrow accounts until claims against Iran by U.S. companies and individuals are finally settled by an international arbitration commission.

Moreover, says Richard Bulliet, acting director of the Middle East Institute at Columbia University: "If you compare the guidelines for a settlement that the U.S. offered very early on with the conditions that the Iranians presented, you find very little change on the U.S. part, and continual retrenchment on the part of Iran." The Iranians, for example, dropped their early insistence that the U.S. apologize for "crimes" against Iran and backed off from a demand that the U.S. deposit $24 billion in escrow in Algiers, an amount that Iranian officials reckoned equaled the total of the country's frozen assets and the late Shah's wealth. According to Richard Falk, a foreign policy expert at Princeton University: "I think that the settlement is being played too much as a deal. It was more a way to restore aspects of the status quo before the hostages were taken."

Carter's allies thus find the agreement not only consistent with national honor but something of a victory for patient diplomacy. That is also the view of some friendly foreign governments. British Foreign Secretary Lord Carrington called the arrangement "a right move." West German Chancellor Helmut Schmidt, who scorned Carter's approach to many other foreign policy issues, called the hostage release "a personal triumph for former President Carter and a triumph for the forbearance, patience, discipline and fortitude of the American people." Said Rudolf Wildenmann, a political scientist at the University of Mannheim: "There was no other decent solution. The U.S. has not lost face."

But a vociferous group of critics contends that by turning over any cash at all to the Iranians, the U.S. is paying ransom to the kidnapers and setting a potentially disastrous precedent. Says Michael Ledeen, editor of the *Washington Quarterly*: "I don't think we should reward criminals with money." Adds Edward Luttwak, a foreign policy expert at Georgetown University: "By saving 52 lives, we sacrificed diplomats all over a world riddled with half-crazy governments." This view is also heard abroad, though mostly in nongovernmental circles. The Swiss newspaper *Journal de Genève* asserts that the agreement "suggests to the entire world that it is possible to change the direction of U.S. policy through acts of terrorism and blackmail." French Political Commentator Edouard Sablier observes: "Of course it was ransom. By definition, ransom is anything that has to be paid to secure the release of a captured person." The critics attack some specific parts of the agreement, notably the provision that Americans with claims against Iran cannot sue in U.S. courts and be compensated from Iran's formerly frozen assets; instead, they will have to present their claims to the arbitration commission. The hostages themselves are barred from filing suits against Iran. If they are to be compensated financially for their sufferings, the payments apparently will have to be made by Washington with American tax dollars. Says Brent Scowcroft, who was once National Security Adviser to President Ford: "Cutting off the right to sue is paying them off. That's extortion." Some critics also assail the U.S. commitment to help Iran find and recover assets of the late Shah and his family, vague and probably unenforceable as that commitment may be. Asks the Wall Street Journal: "Do we really want finally to capitulate to the Ayatullah's lust for vengeance?"



Warren Christopher signing the agreement in Algiers

Said a critic: "What's wrong is that there was a deal."

Several opponents of the agreement concede that it is probably the best that could have been negotiated. Says Joseph Sisco, former Assistant Secretary of State: "If you start with the assumption that we have already been humiliated, on the whole our negotiators did the best job possible." The fundamental argument of Sisco and other critics is that the U.S. should never have bargained with Iran at all. Says Luttwak: "What's wrong with this deal is precisely that there was a deal. There is a much deeper principle involved: you should not negotiate with terrorists. When you bargain, you violate a principle that is more than 2,000 years old"—the sanctity of diplomats.

But if bargaining would have been ruled out, what was the alternative? James Schlesinger, who held a variety of Cabinet-level posts under Presidents Nixon, Ford and Carter, has a blunt answer: "We should have sent forces into the area and delivered an ultimatum. If the Iranians did not respond, we should have punished them." The counterarguments to that are obvious: the use of force might have resulted in the death of the hostages, it might well have led to a superpower confrontation with the Soviet Union, it might have pushed Iran into the Soviet sphere and—most troublesome of all—the U.S. probably could not have brought enough sustained military force to bear in the region to get the job done.

Even Schlesinger counsels that the Reagan Administration keep the agreement. Says he: "I would be careful about reneging on the commitment of a U.S. President. It sets a bad precedent." The controversy will rage on as the echoes of rejoicing at the hostages' release die away. The probable verdict: the deal was better done than not done. —***By George J. Church. Reported by Robert Geline/New York and Evan Thomas/Washington***

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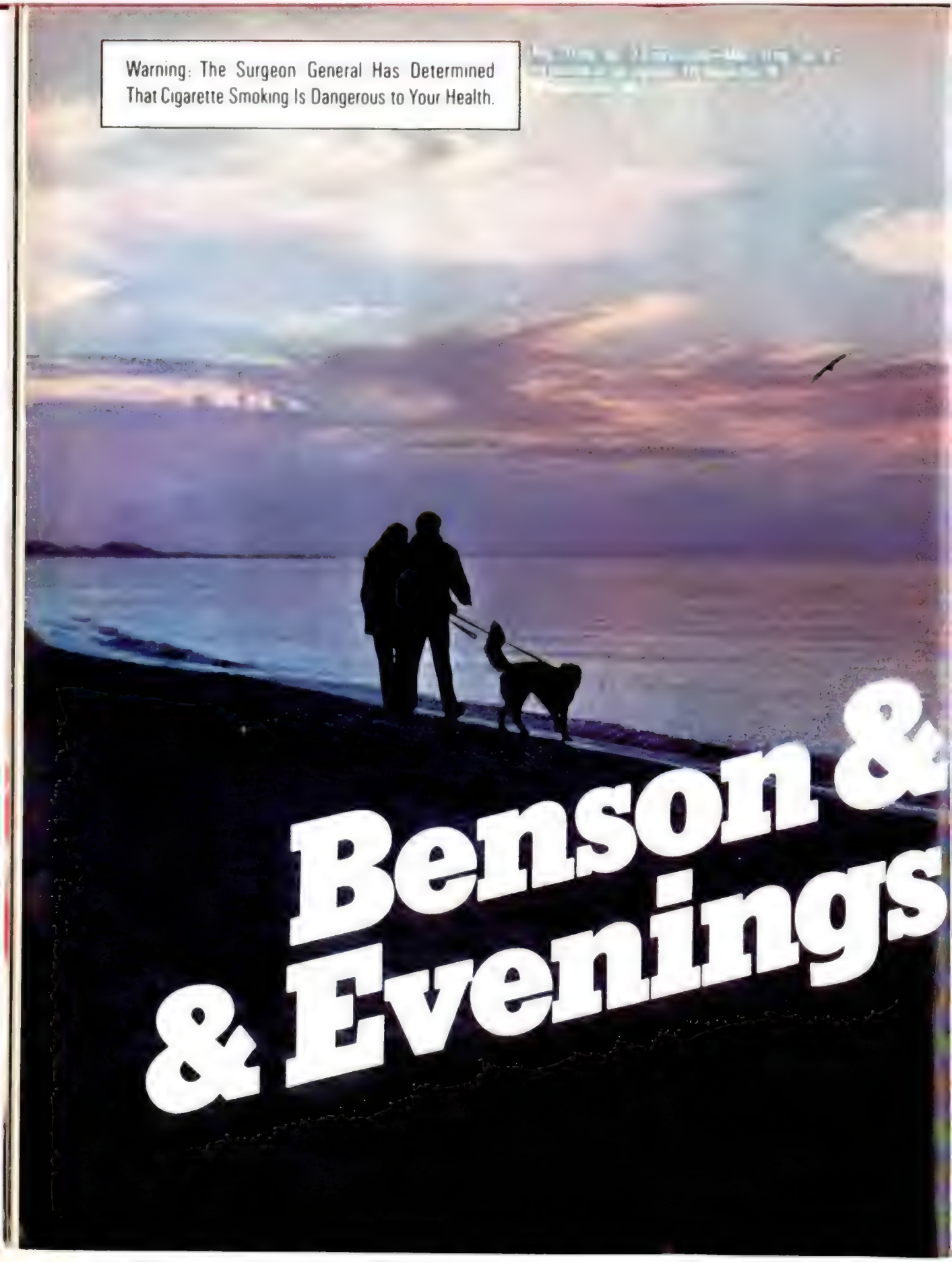
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Algeria's Tireless "Postmen"

Without the help of a sometime foe, there would be no deal

Americans and Iranians can agree on one thing at least: without the skillful performance of Algeria's middlemen, the financial settlement that led to the hostages' release would not have been possible. On his last day in office, President Jimmy Carter conveyed to Algerian President Bendjedid Chadli "the immense debt of gratitude" felt by the U.S. Wrote Carter: "We would certainly not have concluded this accord, if we had not had the assistance of your government." State Department officials spoke admiringly of the "tireless work"—and the "imagination and understanding" displayed throughout the ten weeks of ceaseless negotiations by the three chief Algerian envoys: Ambassador to Washington Redha Malek, Ambassador to Tehran Abdelkrim Ghraieb, and Central Bank Governor Mohammed Seghir Mostefai.

Exhausted but triumphant, the three men were the first to deplane from one of the Air Algérie Boeing 727s that bore the hostages from Tehran to Algiers. There they were greeted with grateful bear hugs by U.S. Deputy Secretary of State Warren Christopher and U.S. Ambassador to Algeria Ulric Haynes Jr., the Americans with whom they had worked so closely in the frantic last days of bargaining.

Algeria's diplomatic triumph sent a surge of national pride throughout that country. Taxi drivers honked their horns in tribute to the occasion. Recognizing a foreign journalist on a street in Algiers, one passer-by stopped to say, "It is a great moment for our country." Indeed, Algeria's regime had managed simultaneously to win the gratitude of the U.S. without losing its credibility as a champion of revolutions and a sympathizer with fanatically anti-American Iran.

As early as October 1979, the Algerians were instrumental in setting up an inconclusive meeting between National Security Adviser Zbigniew Brzezinski and Iran's then Premier Mehdi Bazargan. After the hostages were seized by the militant Iranians, the Tehran government asked Algeria to represent its interests in Washington. Thus a certain logic was involved when Iran, at the urging of Yasser Arafat, head of the Palestine Liberation Organization, last November asked Algerian Foreign Minister Mohammed Ben Yahia to help arrange a hostage deal.

The three intermediaries originally thought of themselves as "postmen," serving only as messengers between Washington and Tehran. But the Algerians quickly moved to a larger and more complex diplomatic role. "The Iranians took a perverted pleasure in raising and dashing our hopes," explained a member of the American negotiating team. "We don't know exactly what the Algerians said, but they refused to be drawn into the Iranian game and eventually made them come to terms." The Algerians deftly avoided becoming guarantors of any final accord despite Iranian pressure to accept the responsibility. "The Iranians were suspicious of everyone and everything," said an Algerian official. Worse, the Iranian negotiators seemed to be confused by the most elementary financial transactions. As a result, the Algerians became financial as well as political advisers to Tehran. All the while, the Algerians were trying to explain to Americans the paranoid psychology of Tehran's revolutionaries.

Christopher, Assistant Secretary of State Harold Saunders and Algeria's Ben Yahia

A debt of gratitude for a dazzling demonstration of useful neutrality.

In many respects, Algeria was well equipped to serve as America's intermediary with Iran. Algeria is an Islamic state with a revolutionary tradition; its three envoys all played key roles in their country's war for independence from France, which ended in 1962. Since then, Algeria has aided numerous Third World liberation causes. "The Algerians have an almost knee-jerk reaction in favor of anything that calls itself revolutionary," says a Western diplomat in Algiers. "There are some 75 revolutionary or liberation movements with offices here."

Algeria has close links with the Palestine Liberation Organization and strongly opposes U.S. policy in the Middle East, particularly the Camp David peace accords. It continues to help Polisario guerrillas in their fight against Morocco to carve out an independent state in the former Spanish colony of Western Sahara. The U.S., meanwhile, is quietly backing Morocco to the point of shipping arms for use in the desert war.

The image of Algeria as a militantly pro-Soviet regime has gradually changed since the death of President Houari Boumedienne from a rare blood disease two years ago. His successor, President Chadli, 51, has pragmatically tried to improve relations with the West. Moreover, relations with Moscow have cooled since the invasion of Afghanistan, and there are signs that Algeria wants to escape from its dependence on the U.S.S.R. for military equipment.

At home, Chadli has moved to temper the repressive climate that marked Boumedienne's regime by releasing some political prisoners (including Algeria's first President, Ahmed Ben Bella) and allowing other exiled opponents to return for visits. Chadli has also turned away from the centralized, Soviet-style economic system that Boumedienne favored. Instead, the government is actively encouraging smaller enterprises and, in agriculture and housing, even a return to private ownership. There are steadily improving economic ties with the West, the major customers for the oil and natural gas that bring in 98% of Algeria's foreign exchange. The U.S. imports more than half of Algeria's crude production and is now negotiating how much to pay for a share of its ample but expensive liquefied gas.

The Algerians sought no financial compensation for evacuating the hostages or sending doctors to examine them. "How we will pay them back I just don't know," said Ambassador Haynes, adding: "Yes, they have a right to expect something in return." The U.S. clearly cannot repay Algeria by altering its own foreign policy. But no one would be surprised if the Algerians shrewdly cashed in their IOUs in the form of lucrative long-term gas contracts. —*By Frederick Painton. Reported by William Drozdiak/Algiers and Henry Muller/Paris*

Hostages gone, an Iranian continues to guard the U.S. embassy in Tehran

Unrest in Iran

There too: Was it a good deal?

"Who has really served or betrayed the revolution?" So asked a senior Iranian politician as a debate began in Tehran—remarkably like the one in Washington—over whether the hostage deal was honorable, as claimed by the fundamentalist clergymen who negotiated it, or a sellout of the national interest. Similar questions were pointedly put to Behzad Nabavi, Iran's chief hostage negotiator, when he spelled out the terms of the agreement on Tehran radio. An Iranian phoned to ask him: If the hostages were spies, why were they not tried? If they were not spies, why were they arrested in the first place? Nabavi dodged the questions, but many close observers of Iran's complicated internal politics believe that he may not be able to do so much longer.

The issue of whether Iran should continue to hold the hostages festered throughout the Americans' captivity, as they were used by one faction or another as pawns in the struggle for power. Eventually the right-wing clerics, who until recently wanted the Americans to be kept captive, managed to subdue the more Western-oriented moderates led by President Abolhassan Banisadr, who would have preferred to release the hostages. The mullahs gained control of the Cabinet, parliament and judiciary and forced Banisadr to accept Fundamentalist Mohammed Ali Raja'i as Prime Minister. Then Banisadr, as commander in chief of the Iranian armed forces, gained great popularity with the people by leading the war against Iraq. He cannily avoided any involvement in the fundamentalists' negotiations with the U.S., thus dissociating himself from the inevitable fallout when the Americans left Iran.

Tehran critics of the accord immediately noted that Iran so far has received only $2.8 billion in gold and cash instead of the $24 billion originally demanded. For the moment, the cash has saved Iran from imminent financial disaster, and the agreement has released the country from its economic isolation from the West and Japan. But a resumption of normal trade is a long way off. Iranian industry is running at 30% capacity because of a shortage of spare parts and raw materials, basic foodstuffs are scarce, and unemployment is close to 40%. The *bazaris*, the small businessmen who initially backed the Islamic revolution, have become disillusioned with the mullahs' mismanagement. Says a moderate politician: "Bogus victories fill no stomachs." Moreover, adds the moderates' newspaper, *Enghelab-e-Eslami*, in a series on Iran's hostage-related losses: "Part of the legacy consists of the arousal of sentiments against Iran and Islam all over the world."

At the same time, Banisadr's popularity seems to be rising. Gone are the days when every wish of Ayatullah Ruhollah Khomeini's was a command, but he still has an enormous public following. For the past month, he has been urging support of Iran's war effort, as well as support of Banisadr. One incident last week indicated that the clerical establishment may realize that its public image has indeed been hurt. When Parliamentary Speaker Hojatolislam Ali Akbar Hashemi Rafsanjani, a fundamentalist Muslim, scheduled an address for Feb. 12, the second anniversary of the Shah's fall, Banisadr announced that he would also give a speech that day. Afraid that Banisadr would outdraw him, Rafsanjani canceled his appearance. Said an optimistic Western diplomat in Tehran: "The demagogues are coming to the end of the line. We might witness the triumph of reason soon." ■

Soviet Meddling

It won Moscow no new friends

Ever since militant Iranians seized the American hostages, the Soviet and Eastern European press have blamed the U.S. for the crisis. When it ended last week, the Communists stepped up the propaganda barrage. Said the Soviet news agency TASS: "The settlement of the crisis in Iran will in no way affect the Pentagon's plans for a further buildup of the U.S. military presence in the Persian Gulf area." Intoned the Hungarian daily *Magyar Hirlap*: "The U.S. secured the release of its diplomats by resorting to economic and financial extortion." Said the Czechoslovak news agency Ceteka: "Washington should learn the lesson that U.S. imaginings about its being the leading power in the world are just that: imaginings."

The point of the propaganda is plainly to extract advantage for the Soviet Union and embarrass the U.S. as much as possible. From the beginning, U.S. protests were to no avail, as Soviet broadcasts into Iran encouraged the captors to keep the Americans prisoner. *Pravda* said that the U.S. had invited retaliation by restoring the Shah to the throne in 1953 and then, when he was overthrown, refusing to return him to Iran. When the U.S. rescue raid failed last April, the Soviet press burst out in triumphant indignation: "An abortive provocation," "a violation of international law."

As the agreement over the hostages began to take shape last month, the Soviets seemed to be worried about a rapprochement between the U.S. and Iran. Said TASS: "What is in the making is another U.S. holdup of Iran." Two weeks ago, TASS reported that the U.S. was getting ready to invade Iran from bases in Egypt, Pakistan or Oman. The fabricated report was thought to be an attempt to scuttle the negotiations. Secretary of State Edmund Muskie summoned Soviet Ambassador Anatoli Dobrynin and demanded a halt to the "scurrilous propaganda." Dobrynin appeared embarrassed, but TASS responded by warning of a "new anti-Soviet campaign in the U.S."

Yet all the Soviet bluster has probably not improved its position in Iran. Soviet-Iranian relations soured considerably after the invasion of Afghanistan. A Soviet diplomat was expelled from Tehran in June for spying, and a group of Afghan exiles last month stormed the Soviet embassy and smashed some furniture. The Soviets formally complained to Iran about this "criminal violation of the norm in relations between the states" and warned ominously that if Tehran cannot protect the embassy, "the Soviet Union will undertake the task." Last week the Iranian foreign ministry finally agreed to pay for the damage, but it accused Moscow of acting just like Ronald Reagan. ■

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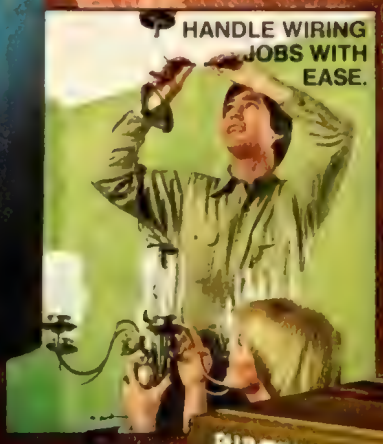

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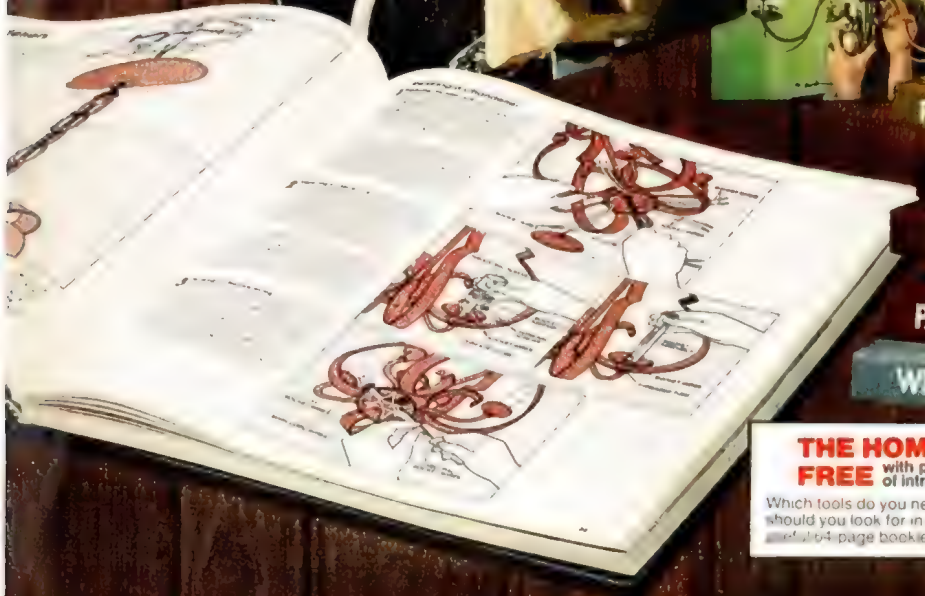

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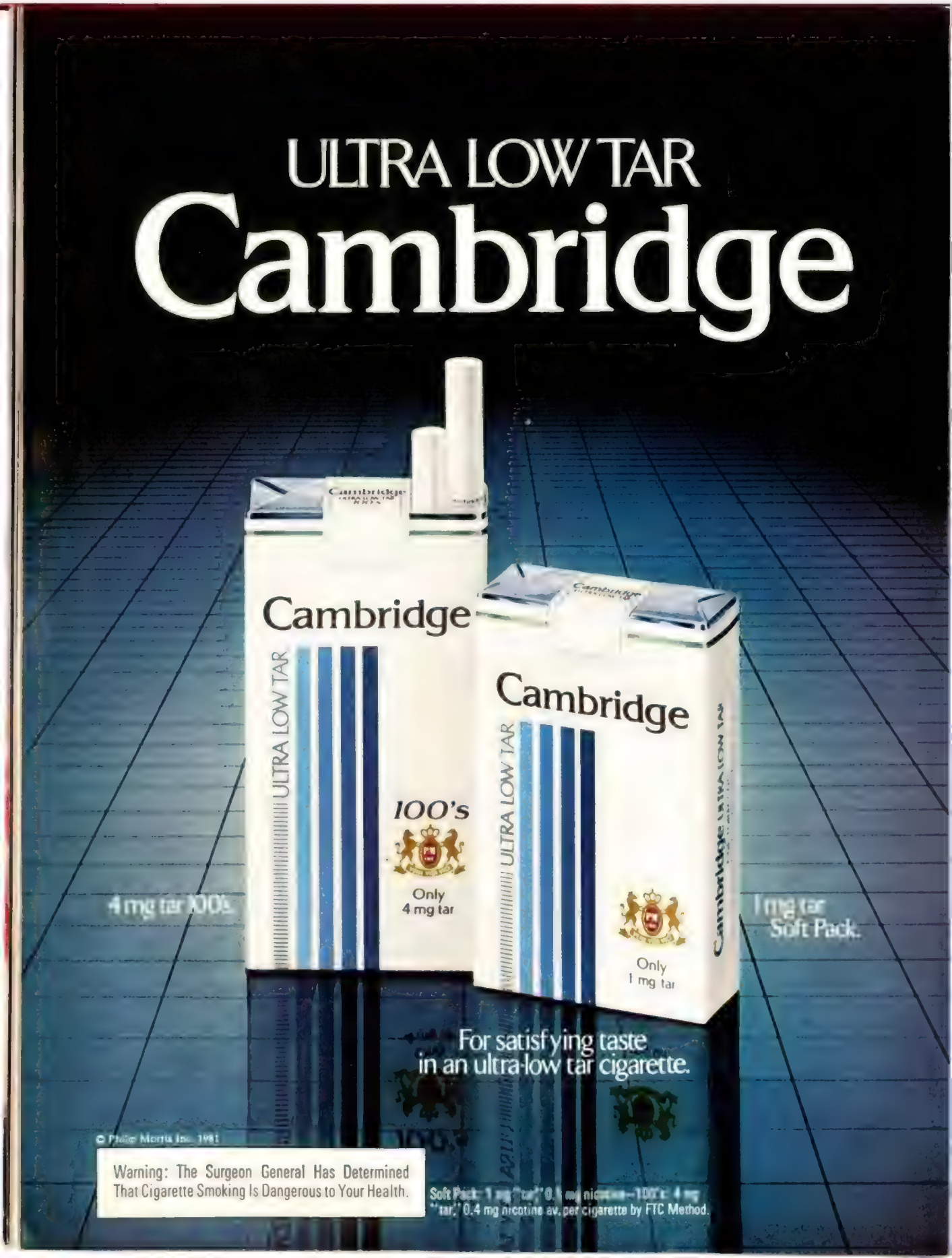
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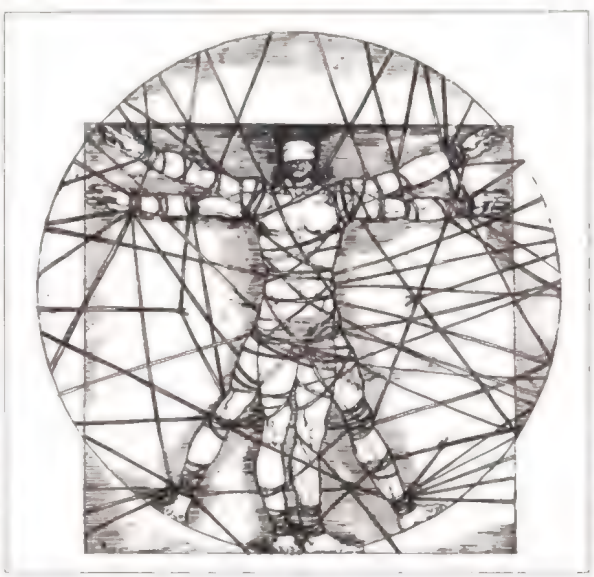
Essay

Learning Lessons from an Obsession

Lessons drawn from unique circumstances are usually wrong, but in the case of Iran the impulse to understand what has happened to the U.S. in the past 14½ months may offer the only way out of a blind rage. Blindness has been a metaphor throughout. The U.S. was blind not to see the extent and temper of the Iranian revolution against the Shah; blind fanatics seized the U.S. embassy in Tehran; the Ayatullah Khomeini's blind sense of vengeance sanctioned the seizure; and the hostages suffered their own blindness, held in solitary and the dark. All year long, photographs of American heads in blindfolds became icons of the crime. Now the U.S. itself is like those blindfolded prisoners as they unwrap their bindings and get used to the light: Where are we? Where have we been?

Hell is the place we have been, though the Iranian version was pure Sartre; no air and no exit. Yet the fact is that the U.S. lost a great deal because of the hostage crisis. It lost eight men, and that was the worst. It also showed itself and the rest of the world that its defense and foreign policies could be confounded by a street gang. It demonstrated that it was willing to work a deal with kidnapers; that its military and covert forces were faulty and impotent; that its political intelligence was porous. Beyond these, it lost clarity in its foreign policy when clarity was needed most.



The hostage crisis was America's obsession. Jimmy Carter called it his particular obsession more than once, and the country wholeheartedly adopted it. Television and newspapers helped mightily, Walter Cronkite's nightly countdown becoming a show of its own. The country could not let go. For most of the 14½ months everyone held to the hostages and were held by them simultaneously, like a disease of the blood. There was little energy for anything but the disease. Perhaps the greatest loss the U.S. endured was a loss of bearings —a fever dream filled with shattered helicopters and the faces of strangers, red with hate, straining to pop into the living room.

Could it have been handled better tactically? Perhaps. The French, for example, have felt all along that the U.S. made an irrevocable mistake in doing business with the Iranians, rather than treating them as one would any band of terrorists. "They [the U.S.] should have drawn an X on the 52 hostages and given them up for dead," argues Pierre Lellouche, a political strategist at France's Institute for International Relations. It makes for good theory, but Americans would never have accepted it.

The British, on the other hand, seemed to think that Carter played the matter just about right. Britain's Foreign Secretary, Lord Carrington, observed recently that "when you have got 52 of your fellow countrymen locked up over a period of time and there doesn't seem any way of getting them out, and when you can get them out at the expense of releasing assets which belong to Iran anyway, I think that's a right move. I would not agree that the Americans have given in to blackmail." The West German response has been similar. What dismayed Europeans most about the hostage crisis was the same thing that most dismayed and shocked the American public—the terrible failure of the helicopter rescue mission. On the whole, however, U.S. restraint has been regarded as admirable by its allies and, in purely humane terms, the wisdom of that restraint resides in the fact that, despite the ordeal, the 52 hostages are indeed home free.

What makes Iran's particular act of terrorism so difficult to second guess, of course, is that it was one of a kind. The *Pueblo* affair is often cited as an analogous example. In January 1968 a U.S. intelligence ship and 82 members of its crew were captured by the North Koreans in the Sea of Japan. The Johnson Administration made the proper noises initially, but then settled down to very quiet, private negotiations. About eleven months later the crew of the *Pueblo* was released. There are coincidental similarities to the Iranian situation as well: the *Pueblo* affair also occurred in an election year, and it was resolved only after Johnson's successor, Richard Nixon, had been elected. The North Koreans probably felt that they would fare better dealing with Johnson, much as the Iranians feared dealing with Reagan.

But the differences between the two incidents are more to the point. The U.S. could threaten force against North Korea because it had no fear of driving the North Koreans into the arms of the Soviet Union. With Iran that fear was, and is, a fundamental consideration, as was the even larger danger of igniting the entire Persian Gulf and throttling the West's essential oil supply. Also, the *Pueblo* crew was in fact spying, and they were doing so against a country with which the U.S. had no diplomatic relations. Beyond that, Kim Il Sung's regime, while hardly a dream government, was a lot easier to deal with than Khomeini's. The North Koreans know how to practice discretion and secrecy, while in revolutionary Iran it was hard to find any government to deal with, and every move was a public riot.

A different precedent was offered by the *Mayaguez* incident. On May 12, 1975, Cambodian forces seized the American merchant ship *Mayaguez* and its 39 crewmen in the Gulf of Siam. On May 14 the ship was freed, after U.S. fighter jets had sunk three Cambodian gunboats, the Marines had landed on Cambodia's jungle islet of Koh Tang, and the U.S. had bombed a Cambodian air base at Ream. As soon as the ship was seized, President Ford simply declared the matter "an act of piracy," then threatened military action. On May 14 he dutifully appealed to the United Nations for help in obtaining the ship's release. And on the same day he sent in the troops, at least 15 of whom died in the action.

Sending in the troops was not a realistic option for Carter.

Illustrations for TIME by Eugene Mihaesco

Essay

Had he threatened substantial military action against Iran, he would have risked confrontation with the Soviets. At the very least, he would have risked driving the Iranians to seek Soviet protection. He could not easily negotiate in secret, and for a long time it was impossible to negotiate at all. The Iranians had what they wanted. They did not seek the moral approval of the world; they wanted only to see the U.S., the Shah's great friend, tied to the ground like Gulliver. The result was a standoff between rage and outrage, and both persist, the U.S. outrage now informed by tales of harassment of the hostages and by the uniformity of their bitterness.

So now begin the contingency plans. If a similar situation were to present itself in the future, the U.S. should or would respond thus and so. The exercise is emotionally necessary, but problematical. Undoubtedly the U.S. could learn to pay closer attention to the character of the governments it supports, and undoubtedly it will. But in terms of particulars, the hostage crisis was a fluke, a historical aberration. The commonplace wisdom it offers is that anything can happen.

Yet there are three fairly concrete lessons that may be learned from this experience, and they all have to do with the proper interpretation of events. The first is simply that the U.S. did not pay enough attention to what was happening in Iran once the Shah was deposed, or perhaps that it was paying attention to the wrong Iran, the middle class. The Iranian revolution was revolution in the streets. Iran was in the streets —and that is where U.S. intelligence ought to have been looking. Had it done so, it would have seen itself as the new country's declared enemy, the only enemy in sight since the Shah had fled. No one in the mobs was keeping that secret. It would also have seen Khomeini for the demagogue he is, and not as some obscurantist mullah waiting benignly in the background. "We do not have the range or the flexibility to deal with a revolution of this character," observes Richard Bulliet, acting director of the Middle East Institute at Columbia University. Range and flexibility would have been nice to have, but in the meantime it would have helped to notice that the wolf was inside the door.

The second lesson, related to the first, is that the U.S. seems to have dangerously little historical or cultural perspective when it comes to making diplomatic decisions or entering into diplomatic relationships. It was one thing to see how immediately valuable the friendship of the Shah was to American military and economic interests. But it was quite another not to see how and why the Shah's modernizing reforms, his agrarian reform in particular, were alien and menacing to an ancient religious culture. Not for nothing did those millions of Iranians demonstrate and strike in the schools, factories and oilfields. The U.S. refused to recognize the depths of the Iranian culture as a whole. That made it not only blind to the coming of the revolution but also wholly dumbfounded in dealing with Iran once the hostages were seized.

Third, the U.S. made much too much of the hostage incident. Foreign service officers are like soldiers out of uniform. They understand and accept this, especially in posts like revolutionary Iran, where the U.S. plays stand-in for the devil. When the embassy in Tehran was taken, therefore, Carter ought to have immediately regarded and declared the hostages prisoners of war and acted accordingly. He should have seen to it that a third-party country was appointed mediator; he should have sought out the International Red Cross to oversee the humanitarian concerns; and then he should have sat back and waited. He should have asked the press and TV networks to play down the matter as well, though that is admittedly a perilous undertaking. One of the odd axioms of terrorism is that if hostages are not killed within the first few days, they will probably never be killed, and thereafter become a burden to their captors. Their value for the Iranians would have been squeezed dry much sooner, and the U.S. would not have been mummified for over a year.

There are subsidiary lessons as well: 1) in the future the U.S. must make a clear announcement of how it will react to a terrorist attack and serve notice to its potential enemies; 2) the country must create a real military presence in the Middle East, a credible force to back up a retaliatory threat, and a capacity to intervene; 3) the media must show self-discipline when it comes to terrorists. Had the Iranian militants not been able to manipulate the television networks so thoroughly, had they not been a prime-time program, their own frenzy and that of the American viewers would have been considerably diminished. In short, the U.S. paid too little attention to events before the hostage crisis, and too much attention once the crime had been committed.

This said, there was one advantage to the excess of attention. From the perspective of pure practicality, the U.S. erred in making the hostage crisis its national obsession. But from the perspective of normal human emotions, what other obsession could a nation feel? If it was an obsession that made U.S. foreign policy look shaky and feeble in the eyes of the world, it was that same obsession that caused American eyes to fill up at the sight of countrymen striding off that plane in Algiers. The faces of the newly freed prisoners bore the lessons of their own resilience and of the country's as a whole. Everyone was glad to be home.

Khomeini has had his day; he promised to set his country back hundreds of years, and by the kidnaping of the Americans he has accomplished his purpose. Now, with the hostages out of the way, he may survey his country and take in the sights: a war-torn and bedraggled citizenry; an unemployment figure of about 40% out of a working population of 11.5 million; an inflation rate of over 50% and rising; the total revenues of the government, an estimated $15 billion last year, not even sufficient to meet the government payroll. The unfrozen assets will come in handy, but they will hardly put the country in the black. Of course, there is always the Soviet Union to turn to, but the Iranians may find that the Soviet version of Russian roulette is a bit less chancy than that of the hostage guards.

For its part, the U.S. should keeps hands off. Between the two countries there has been more than enough vengeance to go around, and the time is right for some steady thinking. Perhaps the Iranians will wish to do some thinking too. Anyone who holds a hostage becomes a hostage to what he holds, and Iran, like all civilizations, will have to learn to live with its national crimes. But that is hardly enough for a nation to live on. It might be instructive for Iranian television to replay that airport scene in Algiers from time to time, simply to offer the sight of 52 free people heading home to a place they cherish, and that cherishes them.

—By Roger Rosenblatt

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How the Bankers Did It

From three continents, the $12 billion deal that freed the hostages

At 5:15 a.m. last Tuesday, as the first rays of morning were beginning to light up midtown Manhattan, 25 tired, unshaven bankers in rumpled business suits stumbled wearily out of the Citicorp Center onto 53rd Street. "Whew," said one as he rubbed his eyes and ran his hands over the stubble on his face. "That's the most nerve-racking period I have ever spent." In cooperation with some 300 banks round the world, the moneymen had just completed the largest and most complex financial transaction in history. They had helped achieve an agreement that would lead to the freeing of the 52 American hostages in Iran.

Morgan's Vagliano

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David Somerset and Christopher McMahon of the Bank of England

"Give us back our people, and we will give you back your money."

Another predawn episode 14 months earlier had started the high-financial drama that concluded last week. On Nov. 14, 1979, ten days after the Americans were taken prisoner, then Treasury Secretary G. William Miller was awakened in his Washington home at 5 a.m. by a call from a State Department duty officer, informing him that then Iranian Finance Minister Abolhassan Banisadr was threatening to withdraw all of his country's deposits from U.S. banks and place them in financial institutions in other countries. The Iranians were hoping that this move would drive down the value of the dollar.

Miller immediately notified President Carter, and the President ordered the U.S. Treasury to place a freeze on all Iranian assets held by the Federal Government or by U.S. banks and companies either at home or abroad. These assets ranged from 1.6 million oz. of gold stored in the vaults of the Federal Reserve Bank in New York City to a Boeing 747 that had not been delivered to the Iranian government. The total amount of Iranian funds blocked by the U.S. came to an estimated $12 billion.

The Iranian funds immediately became the centerpiece of a financial thriller that might have been written by Paul Erdman, author of *The Crash of 79*. On the day after the American action, Bank Markazi, the central bank of Iran, instructed Chase Manhattan, the leading bank in a $500 million loan to the government of the Shah, to draw on Iranian assets at U.S. banks in London for payment of an interest installment of $4 million. Because the assets were frozen and payments could not be made on them, the loan became technically in default. Chase hastily polled the eleven other members of the lending syndicate and found the majority in favor of declaring Iran in default.

Chase's action set off a chain of legal moves by other banks to protect their outstanding loans by suing to attach Iranian property. Morgan Guaranty, for instance, obtained a lien on Iran's 25% interest in two of West Germany's best-known companies: Friedrich Krupp, a diversified steel and engineering combine; and Deutsche Babcock, a manufacturer of industrial equipment. Meanwhile, Bank Markazi sued in London courts to unfreeze $3.3 billion in Iranian assets held in five London branches of U.S. banks.

Such actions infuriated many conservative international bankers. They had reluctantly gone along with the freezing of assets, even though there was little precedent for it in international law, but were afraid that the rush of lawsuits would upset the gentlemanly rules that govern the Western financial community. Some bankers muttered that the Carter Administration was doing permanent damage to the global banking system.

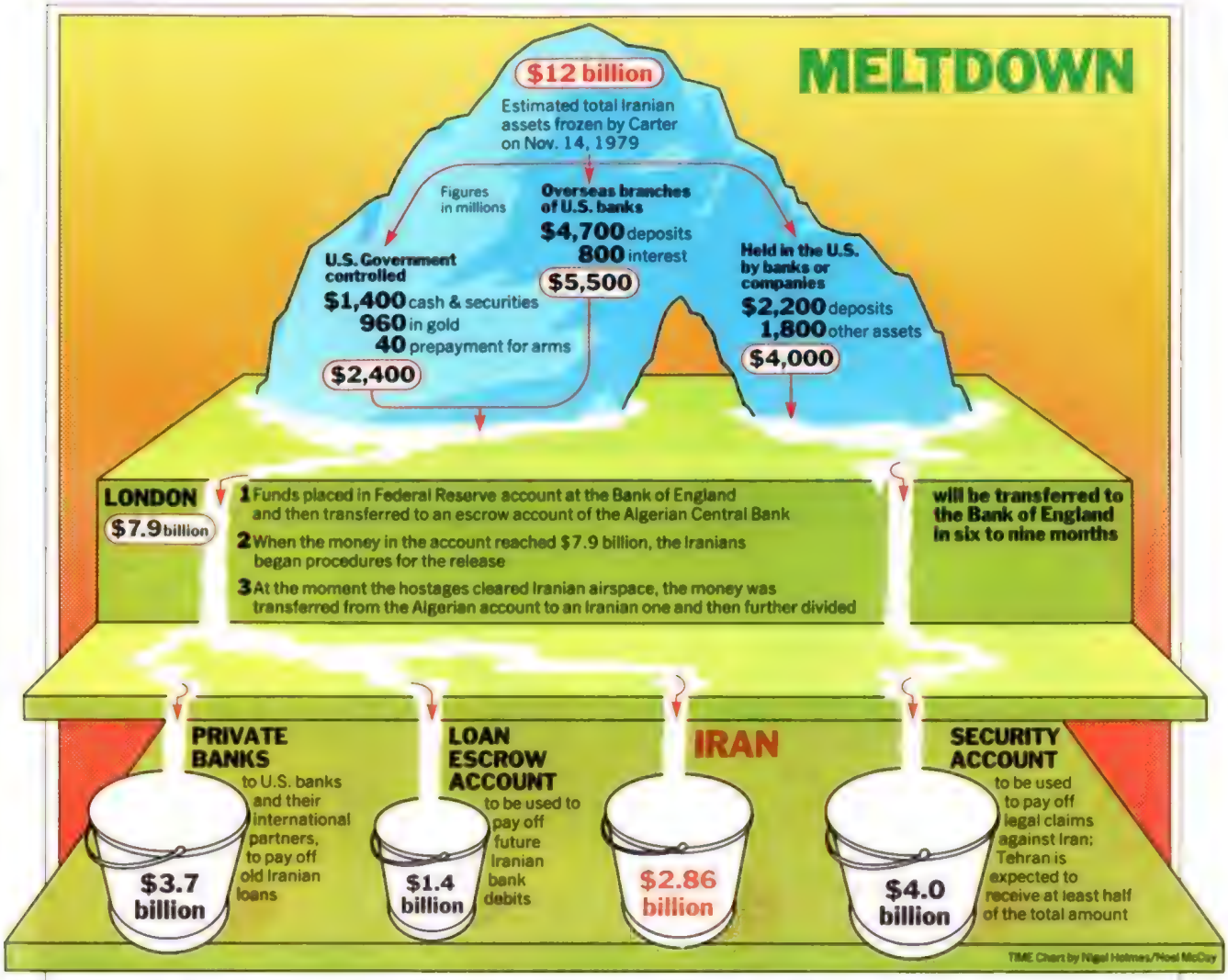
American businesses that had lost property in Iran because of the revolution soon began claiming a share of the frozen assets. Other firms wanted part of the blocked money as payment for goods shipped or services sold for which they had never been paid. The companies filed a blizzard of 300 lawsuits, attaching some $6 billion of the Iranian assets. Claimants ranged from giant Xerox, which wanted $85 million for its expropriated business, to small consulting firms like the Stanwick Corp. of Arlington, Va., which claimed it was owed $7 million for technical services like welding training for the Iranian armed forces.

While diplomatic negotiations to free the hostages were stalemated during much of 1980, U.S. bankers maintained contact with the Iranian government through international law firms. Attorneys from Shearman & Sterling, lawyers for New York's Citibank, regularly held meetings with representatives of Stephenson Harwood, counsel for Bank Markazi. Keeping communications channels open between the two sides helped ease the way for the later settlement.

After a statement by the Ayatullah Ruhollah Khomeini in September set the unfreezing of the assets as a condition for releasing the hostages, financial negotiations began to heat up. Roger Brown, a lawyer with the Stephenson firm, began direct talks with the twelve American banks* that held Iran's frozen assets.

Starting two weeks ago, Brown quickened the pace still more, seemingly because he had received word that the Tehran government wanted to settle the matter before the beginning of the Reagan Administration. Brown flew to New

*Bank of America, Bankers Trust, Chase Manhattan, Chemical Bank, Citibank, Continental Illinois Bank, European American Bank, First National Bank of Chicago, Irving Trust, Manufacturers Hanover Trust, Marine Midland Bank and Morgan Guaranty Trust Co.



York on Jan. 9, and in phone calls from his room at the Waldorf-Astoria Hotel, he asked each bank for its final tabulations of debts and credits with the Iranians.

At the same time in London, serious talks were starting. London was an obvious center for part of the negotiations because only its banking community and New York's had the skill and experience to conduct such a huge financial exchange. During the second week of January, Citibank's British lawyers, Coward Chance, invited legal counsel from the other eleven banks to its offices on Aldermanbury Square for a preliminary discussion of recent developments. Then, on Jan. 15, U.S. Negotiator Warren Christopher ordered his jet to stop in London on the way from Washington to Algiers. There it picked up two Bank of England officials, Deputy Governor Christopher ("Kit") McMahon and Chief Cashier David Somerset. They were to remain with Christopher during the toughest part of the negotiations in Algiers, arranging many of the details of the transfer mechanism.

Simultaneously in New York, the representatives of the twelve U.S. banks met together for the first time at the Shearman & Sterling law offices in the Citicorp building. At that meeting the bankers made a first attempt to agree on a common negotiating position.

The following day, Jan. 16, the New York group was summoned to Washington by Treasury Secretary Miller to listen to a new Iranian proposal. Thomas Lebrecque, vice chairman of Chase Manhattan, Alexander Vagliano, head of Morgan Guaranty's international finance operations, and 19 other bankers and attorneys took their places at 11:00 a.m. in a seventh-floor State Department conference room with Miller and Secretary of State Edmund Muskie. The new offer looked interesting. Bank Markazi suggested that when the Iranian funds were unfrozen, it would repay with interest outstanding loans that had been negotiated with about 100 international banks during the Shah's regime. In addition, Iran agreed to set up an escrow account to pay off other loans. An escrow account is a bank deposit that is controlled by a third party until certain terms are fulfilled. For example, banks often establish escrow accounts into which homeowners with mortgages deposit money that is used to pay property taxes. As Citicorp Chairman Walter Wriston told TIME Correspondent Frederick Ungeheuer afterward, "The principle of the deal was: Give back our people, and we will give you back your money."

Difficult negotiations, though, were still ahead. One sizable problem was a disagreement over the interest due the Iranians on the accounts the banks had been holding for 14 months. Iran was demanding $800 million, but the U.S. banks figured they owed only $670 million.

After lunch in an eighth-floor dining room, where most of the bankers shunned available liquor and chose hearty salads to eat, the participants returned to the conference room to recalculate the interest owed the Iranians. Bank of America, which held the largest amount of Iranian funds, was arguing the hardest. Their work was somewhat slowed because few of the bankers had brought calculators, and some ended up doing their math long-

hand. Eventually, the bankers agreed to pay almost 17% annual interest. They were generally pleased when they concluded work at 10:30 p.m.

On Saturday morning at 10 a.m., the bankers reconvened in the Secretary's conference room on the third floor of the Treasury Building. For the next nine hours they negotiated over the method for transferring the assets to Iran, while consuming gallons of coffee along with chicken salad and roast beef sandwiches from the Capitol Hill Deli. Meanwhile, telephone and telex lines were kept open round the world. Explained one banker: "All this had to be communicated periodically by telex to the Iranians to make sure that it was O.K. We conveyed each document as we concluded it." Government officials participated very little in the discussions. "There was no exchange between the Government and us," said one moneyman. "They took what we gave them."

When the meeting broke up Saturday night, it was decided to reconvene in New York on Sunday morning to await instructions from the Federal Reserve Bank in New York. The State Department offered to fly the bankers there on a Government plane, but bank lawyers complained that it might create conflicts of interest for the negotiators to receive special treatment. Therefore, many participants took the Eastern Air Lines shuttle up to New York.

Sunday morning the bankers met again in Shearman & Sterling's Citicorp offices, and activities took on a frenzied pace. Secretaries and stenographers bustled about, typewriters stood at the ready and waitresses served food prepared by a nearby delicatessen. The lawyers put the final touches on a technical eleven-page addendum to the funds-transfer agreement. This was designed to spell out how the twelve banks would pay more than $5.5 billion to the New York Federal Reserve for transmission to the Iranians. The completed documents were sent to Iran at noon, and the bankers left after agreeing to a "30 Minute Rule." They would only stay in hotels or apartments that were within 30 minutes of the Citicorp Center. The bankers confidently awaited the final word from Iran and for the Federal Reserve to start moving the money.

Meanwhile, parallel negotiations in London were also going well. The Iranians sent Ali Manavi-Rad, the senior vice governor of the Markazi, to London on Saturday night, seemingly to wrap up the details. At the ash wood–paneled offices of Coward Chance, lawyers, bankers and telex operators worked sending messages to New York and Tehran. They paused only for an elaborate roast turkey dinner accompanied by a vintage Bordeaux wine.

That optimism in New York and London, though, was dashed Monday morning U.S. time. The Iranian central bank had not telexed its payment order to the U.S. banks, and Iran's chief negotiator, Behzad Nabavi, was calling that final eleven-page document a new and unacceptable set of demands. A compromise was quickly drafted, with the help of Roger Brown, to mollify the last Iranian demand. The financiers, though, believed that they had really been caught in diplomatic squabbling. Said one banker: "Personally, I think the Iranians just wanted to hold up the agreement until the Inauguration."

After the latest telex was sent to Tehran, the bankers at Shearman & Sterling settled down Monday night for another vigil. One of them skipped out for a quick squash game at the nearby Racquet & Tennis Club; another went to a dinner but had to ask his hostess for an electric shaver before he joined the other guests. Finally, at about 3 a.m. Tuesday in New York, the long-awaited call arrived from the Federal Reserve Bank. The Iranians had accepted the deal, and the Bank of England had set up the required escrow accounts in the name of the Central Bank of Algeria to hold the frozen assets.

D. GORTON—NEW YORK TIMES

Financiers discuss the accord with then Treasury Secretary Miller

"The most nerve-racking period I have ever spent."

The bankers flashed word back to their headquarters or telephoned the Federal Reserve directly with instructions. No money was physically transferred. Rather, telex and telephone messages instructed the Federal Reserve to take money out of one account and put it in another. In San Francisco, Lewis W. Teel, senior vice president of the Bank of America, who had been at his desk for 22 hours, pulled a piece of paper from his wallet that he had been carrying for four days. It contained the code that would trigger the release of $2.8 billion from Bank of America overseas branches into the Federal Reserve accounts. The task was completed in about five minutes. In another case, the transfer did not go as smoothly. The First National Bank of Chicago's telex garbled the message, and the amount to be transferred came out as $0,000,000,000.00. In a second attempt, though, the correct amount was sent: $76,036,366.25.

After receiving notification from the twelve American banks, the Federal Reserve transferred the money to an account with the Bank of England. Then it was deposited in the escrow accounts for the Algerian Central Bank. The total amounts unfrozen:

- The U.S. Government sent $2.4 billion, which included Iranian gold held by the U.S. and securities or cash that Iran had deposited with the Treasury or the Federal Reserve.
- The U.S. banks sent $5.5 billion from deposits in their overseas branches. That included $800 million for interest earned on the frozen funds since November 1979.
- Another $4 billion will be transferred over the next six to nine months into an account with the Bank of England. This money is made up of the Iranian bank deposits and other privately held assets in the U.S.

When the escrow account for the Central Bank of Algeria reached $7.9 billion, the Iranians were to begin procedures to release the hostages. That occurred Tuesday morning.

Most of the money, though, immediately went into other accounts. Some $3.7 billion was given back to the American banks to pay off the old loans. An additional $1.4 billion went into an escrow account to liquidate other loans from individual banks, and includes $130 million that will be used to resolve the dispute over interest payments between Iran and the banks. The $4 billion claims account is intended to settle some of the 300 legal cases pending against Iran. Finally, and only after the hostages had flown out of Iranian air space, the Central Bank of Algeria transferred $2.8 billion directly to Iran. That was the total amount that the Iranians immediately got out of the deal; in six months or so, they may get at least a billion in funds left over from the claims account.

The huge financial transaction, which caused hardly a ripple on the world's money markets, demonstrated the ability of bankers and lawyers to use their amazing network of modern communications. After 14 months of mostly fruitless negotiations, the deal was concluded in less than ten minutes. *—By Alexander Taylor. Reported by William Blaylock/Washington and Bruce van Voorst/Brussels*

Midnight Deal

Static over the A T & T accord

One of the many controversial issues tossed at Ronald Reagan last week was the tentative settlement of the Justice Department's six-year-old antitrust suit against A T & T that had been reached during the last days of the Carter Administration. Ma Bell's competitors immediately voiced fears that Carter officials had made too many concessions to A T & T in their rush to wrap up the case before the new President took office. Said William McGowan, chairman of MCI Telecommunications, which is battling Bell for the long-distance telephone market: "It sounds like a slap on the wrist." Added Herbert Jasper, Washington lob-

ILLUSTRATION FOR TIME BY MICHAEL C. WITTE

byist for a group of telecommunications companies: "It appears to be a free ride for A T & T."

More than 40 firms, including MCI, Litton Industries and Southern Pacific Communications, have filed their own suits against A T & T. Bell was eager to settle the Government case so that evidence the Justice Department had been gathering would not be revealed in court and later used in the private suits.

Outgoing Administrations have often tried to leave a lasting impression on U.S. legal affairs by making important decisions just as they were turning over power to the rival party. Before President John Adams left office in 1801, he appointed more than 200 "midnight judges" in an effort to pack the judicial system with his fellow Federalists. On Lyndon Johnson's last working day in the White House, the Justice Department filed a monumental antitrust suit to break up IBM. Twelve years later, the case is still dragging through the court.

The Carter Administration's agreement to settle the A T & T case was a stunning anticlimax. Since the suit against the world's largest corporation (assets: $125 billion) was originally filed in 1974, the Justice Department has spent $10 million preparing its case, and A T & T has put out an astonishing $250 million. The long-awaited trial opened just four days before Reagan's Inauguration, with small armies consisting of 23 Government lawyers and 21 attorneys for Bell squaring off against each other. George L. Saunders, the chief A T & T trial lawyer, accused the Government of trying to destroy "the greatest enterprise on earth." Declared Gerald A. Connell, the Justice Department's prosecutor: "The trouble is that from time to time this big elephant might reach out and crush someone."

Rhetoric notwithstanding, the two sides had been feverishly negotiating an out-of-court settlement behind the scenes. The trial was suddenly suspended on its second day, after the lawyers announced that they had fashioned the outlines of a settlement. Federal Judge Harold Greene gave them until next week to iron out the details and obtain the approval of the Reagan Administration. No specifics have yet been announced, but industry analysts familiar with the case feel certain that the result will fall far short of the Government's original goal of dismantling the behemoth that controls some 80% of the U.S. telephone market. A T & T is expected to agree to sell some parts of Western Electric, its manufacturing arm. Another possible action is reorganization of Bell's long-distance division into an independent subsidiary under separate management. Finally, A T & T will probably relinquish its holdings in one or more of the 23 regional Bell telephone companies. The most likely candidates: Pacific Telephone and Telegraph, Cincinnati Bell, and Southern New England Telephone.

Whatever A T & T is giving up, the company will probably receive a lot in return. The Justice Department made it clear that it was prepared to modify a 1956 decree that has effectively barred Bell from entering the fast-growing field of computer communications. The new ruling might, for example, allow A T & T to go head-on with IBM and Xerox in marketing machines that transmit information directly between computers.

Despite the static that is crackling through the telecommunications industry, President Reagan is not expected to reactivate the suit or hold out for stronger sanctions against A T & T. Though Reagan himself said nothing specific during the campaign about antitrust actions, some members of his task force on Government regulatory reform said privately that neither the IBM nor the A T & T case had much merit. Reagan swept into office on a pledge to "get the Government off the backs" of both the public and businesses. One of his first applications of that philosophy may be with Ma Bell. ■

Reagan's Choice

A moderate for the CEA

It was not only one of the last top appointments in the new Administration, but in many ways it was one of the most important. Yet in the end there was little surprise when President Ronald Reagan last week appointed a moderate conservative, Professor Murray Weidenbaum of Washington University in St. Louis, to become chairman of the Council of Economic Advisers.

The CEA is a three-man board that provides the President with regularly updated economic reports on which an Administration can base policy. While the Secretary of the Treasury or the Budget Director may have more staffers at his command, the CEA director traditionally has had a key role in shaping policy because he is the President's private consultant.

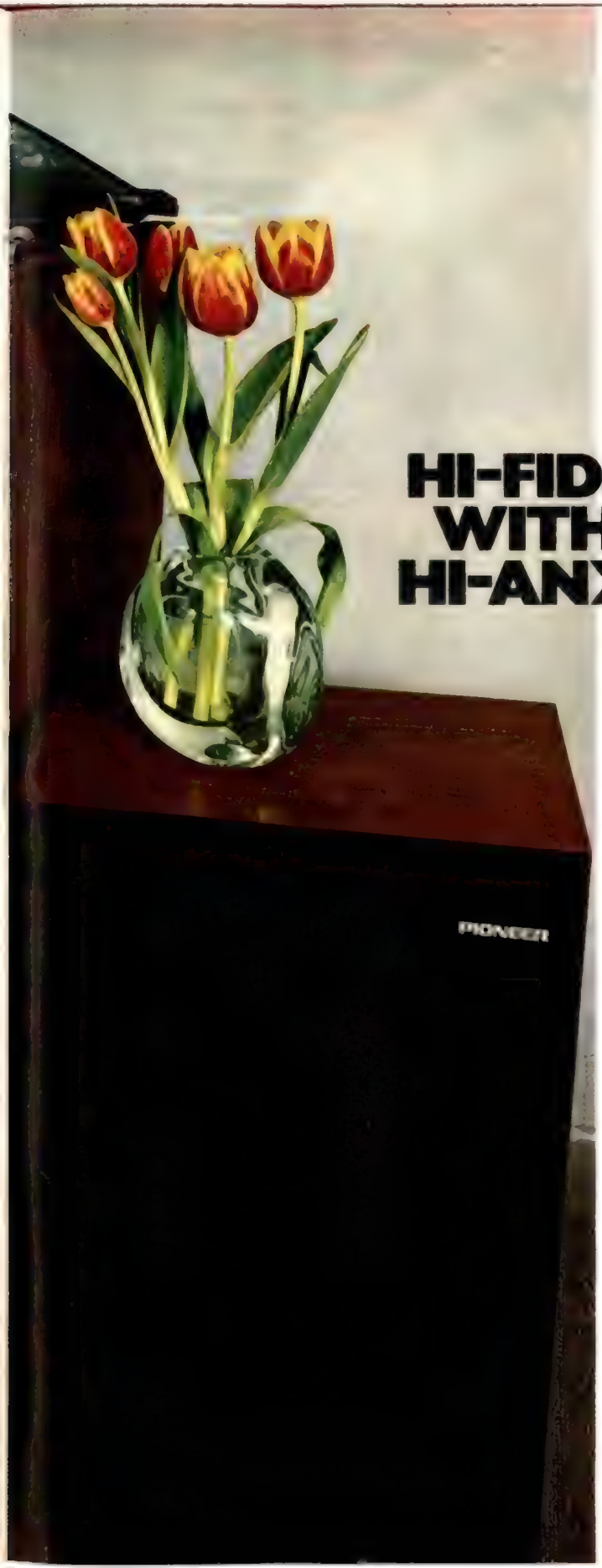
Weidenbaum, 53, a onetime economist for the Boeing Co. and currently a member of TIME's Board of Economists, was an adviser to Reagan throughout the 1980 presidential campaign and headed a task force on ways to reduce governmental regulatory burdens on business. That group recommended a one-year moratorium on all new federal decrees concerning health, safety and the environment. Among professional economists, Weidenbaum is best known for his work on the economic effects of defense spending, and his studies on the cost of Government regulation, which were among the first ever done on that topic.

Washington insiders have already divided Reagan's economic advisers into two groups: the radical supply-siders, who include Budget Director David Stockman and New York Congressman Jack Kemp, and the moderate Republican conservatives led by Treasury Secretary Donald Regan. Weidenbaum is expected to join the moderates, who place a little more emphasis on the need to reduce the budget and a little less on large tax cuts.

The long delay in appointing a chairman for the CEA fostered some speculation that the Reagan Administration had decided to down-play the role of economists in the Government. Their strength under Reagan is certainly less than under Carter. In addition to the chairman of the CEA, there were four Ph.D. economists in the first Carter Cabinet. They were W. Michael Blumenthal (Treasury), James Schlesinger (Energy), Juanita Kreps (Commerce) and Ray Marshall (Labor). Three businessmen and a dentist have been given these posts in the new Reagan Cabinet. ■

Weidenbaum

PIONEER



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POLAND

"We Will Not Go Back"

As talks falter, workers and farmers launch a new round of protests

In the Baltic seaport of Gdansk, sirens wailed to signal the start of a four-hour "warning strike" that interrupted public transport and shut down more than 800 plants. In Warsaw, red-and-white Polish flags fluttered defiantly over idle buses and streetcars as drivers joined workers from some 60 local factories and offices in a related half-day stoppage. On the outskirts of Bydgoszcz, 140 miles northwest of the capital, police turned back columns of angry tractor drivers who were seeking to stage a demonstration in the middle of the town. The snowballing protest climaxed on Saturday, when millions of workers observed a nationwide job boycott ordered by Solidarity, the independent union federation. Across Poland last week, workers once again served notice that they would bitterly resist any attempt to roll back the rights they had won through a summer of crippling strikes.

The latest recurrence of labor turmoil centered on two volatile issues: the workers' insistence on a five-day work week and the farmers' demand for recognition of their own independent union, Rural Solidarity. But the protests also raised a broader complaint: the government, the unions claimed, has failed to carry out a number of promises contained in the historic agreements signed last summer not only in Gdansk, but also in Szczecin and Jastrzebie. Among them were pledges to increase Solidarity's access to the press, free political prisoners and reduce censorship. As Union Leader Lech Walesa put it to a throng of followers last week: "Let's not fight for local goals. Let's fight for wider goals. We will not go back one step."

It was increasingly obvious that the government had no intention of retreating either. Party Boss Stanislaw Kania had already begun to harden his policy toward the fledgling labor movement. Two weeks ago, Kania publicly denounced some of Rural Solidarity's advisers as "counter-revolutionaries," thereby casting serious doubt on any chance for the farm union's legalization. Riot police were sent to break up sit-ins in Nowy Sacz and Ustrzyki Dolne. Though authorities stopped short of ousting the 400 workers and farmers occupying the old official union offices in Rzeszow, they refused to enter into any negotiations with the protesters that might resolve the tense local standoff *(see box)*.

There were also ominous new signs of an impending crackdown. At week's end the government expelled a number of Western journalists, including the representatives of TIME and the three major U.S. television networks. The object of such expulsions, said one Bonn analyst, appeared to be simply "to close the windows as much as possible."

Warsaw's hardening line was countered, in turn, by increasingly bold labor militancy. After a heated ten-hour debate last week, Solidarity's national commission in Gdansk adopted a tough, two-pronged resolution. First, it called for direct talks with the government about the carrying out of all points in last summer's agreements. Second, it declared that the promise of work-free Saturdays contained in last summer's Jastrzebie agreement applied nationwide, and that workers should therefore boycott further Saturday labor until the government agreed at least to enter into negotiations on the issue. The commission also proclaimed Jan. 28 a day of fraternal action—presumably to consist of work stoppages and demonstrations in support of Rural Solidarity.

Some observers saw the resolution as a setback for the moderate Walesa, who was known to oppose open confrontation over the Saturday issue. Indeed, several delegates openly criticized their leader for failing to consult the national commission before his surprise meeting with Premier Jozef Pinkowski the day before.

But Walesa was clearly in control. Standing on the rostrum during the Solidarity meeting, he listened calmly and smoked his pipe like a battle-weary statesman. Then he answered his critics with characteristic spunk. Said Walesa: "If we took any decisions that are contrary to those of the national commission, then throw me out." No one rose to challenge his leadership. Having thus reasserted his personal authority, Walesa went along with the majority rank-and-file demand

Occupiers guard the doors of the official union hall

Standoff at Rzeszow

At the headquarters of the old official trade union in the southern city of Rzeszow, a drab concrete building that has been occupied for three weeks by members of Solidarity and Rural Solidarity, a sign says SOLIDARITY IS MORE THAN JUST A NAME. In fact the united front put up by the Rzeszow chapter of Solidarity appears to have the authorities there stymied. On the one hand, they have been unable to coax the occupiers out. On the other, they are equally unwilling to grant their main demand: negotiations toward legitimizing the farmers' union. The result is a standoff. Last week TIME Correspondent Richard Hornik visited the sit-in at Rzeszow. His report:

After police evicted Solidarity members from buildings in Ustrzyki Dolne and Nowy Sacz two weeks ago, the next logical step would have been to stop the larger occupation in Rzeszow. But the authorities hesitated too long. As one Solidarity official said, "We got in touch with our people in all of

Walesa addressing union commission

A streetcar stop in Warsaw stands deserted during a four-hour transport strike

to bring the Saturday issue to a head. In the end he sounded as militant as anyone, describing Solidarity as "10 million people with whom talks should be conducted, and who shall not be split."

Next day Walesa led a union delegation to Warsaw to begin talks with the government. But the stormy six-hour meeting, held in the gray stone Council of Ministers building, ended at midnight in a dangerous deadlock. "We did not achieve anything," Walesa grimly announced. The union reportedly proposed a five-day, 41½-hour work week, actually only one hour less than the government's offer of five 8½-hour days. When the government side turned this down, Solidarity retreated to its original position that a 40-hour week was currently in effect. At that point the talks broke down, rendering Saturday's nationwide strike inevitable.

Even as those negotiations were in progress, the government stepped up its public campaign in an effort to dramatize how the Polish economy, at present groaning under a $23 billion foreign debt, could not support a 40-hour week. In a widely published interview, Deputy Labor Minister Piotr Karpiuk claimed that the elimination of all Saturday labor would cut the national income by $2.5 billion a year. He said that consumers would be deprived, among other things, of 10,000 cars, 10 million meters of cotton fabric, and 30,000 washing machines each year.

Most labor leaders are skeptical of such figures. At the same time, they say they are willing to take the country's economic problems into account and make necessary sacrifices—but only after the government negotiates with them as equals. Their main complaint is that the government failed to consult the unions before decreeing last December that only two Saturdays a month would be free. Said one Solidarity delegate in Gdansk last week: "We're on the same horse as the government. If the government explains what the nation can do, how much it will cost, then we can consider going along with that."

That sort of dialogue may yet develop Late last week Warsaw proposed a joint union-government commission to study the economic impact of ending Saturday labor. Government Spokesman Jozef Barecki, meanwhile, suggested the government might take up some of Solidarity's current demands—though he insisted authorities would not bow to an "ultimatum" from the workers. In spite of the week's bluster and turbulence, therefore, there still appeared to be some small chance for compromise—a chance neither side could afford to lose. The alternative was a mounting spiral of confrontation that could ultimately tempt the Soviets, who have 55 divisions still poised within striking distance of Poland, to impose their own brand of order on the country's bold experiment. *—By Thomas A. Sancton. Reported by Barry Kalb/Warsaw*

the major factories around here and let them know that if the police interfered here there would be a general strike without further notice."

There are no signs of a police presence anywhere near the building. It is the occupying union men who maintain tight security. Five burly railroad workers in their uniforms stand guard at the entrance. The inner door is chained and padlocked. Although the occupiers claim to have about 400 people inside, a first-hand head count put that number at closer to 100. In a solemn mood, the peasants and factory workers sit around chatting idly, reading newspapers, playing cards or chess. At night bedrolls and mattresses are laid out side by side on the floor.

Although the authorities do not quite know what to do about the problem, there are sporadic attempts at intimidation. The district prosecutor summoned the leadership of the local Solidarity chapter to his office two weeks ago for an "off the record" meeting, to warn them that they faced fines and imprisonment for occupying the building. That night the local TV news program carried an account of the meeting.

The government ultimately seems to have time on its side. It is easy enough for farmers to strike in the winter, but when the spring thaw comes in late March the peasants will no longer be able to afford to remain idle. A local Solidarity official conceded as much when he said that the "workers will just have to take the peasants' places." Unfortunately for the farmers—who are not only demanding recognition of their right to organize a Rural Solidarity but also a sweeping reform of the country's agricultural system—the only leverage they have is the threat of a "crop strike." But that option is limited because it would deprive their comrades in the factories of food.

What many of the farmers really seem to want is simply a greater measure of respect. "When a peasant goes to the local authorities, he is treated like a piece of nothing—like he is less than a human being," said one ruddy-faced protester. Then he added: "Poland is like a family. The government is the father and the peasants and workers are the children. If the father is a drunkard and is not good to his children, they will pay him back in kind. But if he is good to his children, they will pay him the respect he is due." At Rzeszow this particular family feud may continue for some time, perhaps as a waiting game neither side can win.

ISRAEL

Scrambling for Advantage

The prospect: early elections and a vituperative campaign

"We all understood that we had reached the point of no return," a Cabinet member said glumly when it was all over. "The Prime Minister seemed to realize that a burden had been lifted from his shoulders."

Thus, with mournful stoicism, an embattled Menachem Begin accepted the near demise of his government last week and called for new elections. The Prime Minister's move climaxed weeks of indecision following the collapse of his ruling Likud coalition over a hotly disputed pay raise for the country's schoolteachers. It set Israel's Knesset to squabbling over the precise timing of the election. It also sent the country's political parties scrambling for advantage in what promises to become one of Israel's most heated and bitterly contested campaigns.

In a bill introduced in the Knesset, Begin proposed that the new election be held on July 7. That date was promptly challenged by some because it coincides with the beginning of the nation's summer vacation. But the opposition Labor Party, led by Shimon Peres, would like to see elections held sooner, in part to take advantage of its current popularity in the polls, and in part because its leadership believes that a strong new government should be formed quickly to cope with Israel's rapidly deteriorating economy. "Why do we need such a drawn-out, expensive campaign with inflation the way it is?" asked an aide to Peres, referring to Israel's 140% inflation rate. "Besides, no one will take this government seriously once the election date is set." Rather than risk an immediate vote on the floor, however, Labor cautiously decided to fight the matter in committee, where it is probable that a compromise date in mid-June can be worked out.

The debate in the Knesset last week displayed plenty of the Israeli parliament's customary verbal crossfire. As Opposition Whip Moshe Shahal was assailing the Begin government for "setting new world records for inflation, stock market speculation and emigration of Israelis abroad," a heckler broke in. It was Likud Member Ronni Milo, pointing to the visitors' gallery. "Yes," he shouted sarcastically, "we've brought this country to such a state that there's an Egyptian delegation in the gallery." Deadpanned Shahal: "Because of their presence, I crossed out a lot of things I would otherwise have said."

The duelers were referring to a ten-member Egyptian parliamentary delegation that was visiting Israel on a long-planned tour. But if the opposition gloves were on for their benefit, there was little doubt that they would be off for the campaign. "It's probably going to be one of the dirtiest campaigns Israel has ever had," said a ranking Labor member. For one thing, the party's strategists expect a vituperative attack against Peres, quoting various uncomplimentary remarks made by his rival for the party leadership, former Prime Minister Yitzhak Rabin.

Indeed the mudslinging may have already begun. Labor Secretary-General Haim Bar-Lev was the subject of a barrage of bizarre rumors telephoned into Israel's daily newspapers by anonymous callers. They said that he had been arrested by Israeli security forces on suspicion of spying for the Soviet Union. Bar-Lev scornfully denied the rumors and came close to openly accusing the Likud of starting them. "Half of the opposition people have already been labeled [by Likud] as traitors," scoffed Bar-Lev. "The Likud people are fighting for their political lives."

For his part, Begin tried to hold himself above the fray. He announced that he was prepared to meet President Reagan and Egyptian President Anwar Sadat to revive the long-stalled talks on autonomy for the occupied West Bank and Gaza Strip. The prospect of an early election should not be an obstacle to a summit, he argued. Said Begin to the visiting Egyptians: "Please tell my friend President Sadat that Israel is ready to renew the autonomy negotiations at any moment."

Even if the talks get back on the track, Labor is certain to make Begin's interpretation of autonomy a centerpiece of its election campaign to keep him under constant pressure. The Begin government has frequently been accused of trying to achieve a *de facto* annexation of the West Bank with its establishment of Jewish settlements in the region. Indeed it was reported last week that the government had devised a scheme to finance accelerated construction of Jewish settlements before Begin leaves office. The plan was said to entail the assignment of choice Jerusalem and West Bank real estate sites to private contractors willing to put up cash for settlement construction. Jerusalem Mayor Teddy Kollek promptly said he would refuse to give construction permits under such circumstances. "If land can be sold, then give us the money to build schools," he snapped.

ZAMIR—SCOOP 80

Begin is consoled by Deputy Prime Minister Simcha Ehrlich

It set the Knesset to squabbling over the precise timing

Labor's own autonomy policy would grant full self-governing authority in 70% of the area during a five-year transition period, then turn over all but 30% of the territory to a joint Palestinian-Jordanian state under Jordan's control. Under this "Jordanian option," Jordan in return would formally recognize Israel's right to exist, as guaranteed by United Nations Security Council Resolution 242. There is one snag: Jordan's King Hussein would have to be persuaded to go along, but he has thus far repeatedly refused any discussion of the idea.

Egypt's Sadat has also rejected the plan, arguing that Jordan should not enter into the negotiations until some measure of autonomy is in effect. Meanwhile, Israel was about to become the target of renewed political pressure in the rest of the Muslim world. Sheiks, ministers and kings of some 36 Islamic countries began gathering in the Saudi Arabian mountain resort of Taif for this week's Islamic conference, which promises to be a sumptuous as well as a polemical affair. The Saudis have poured a fortune into rebuilding the city with marble and glass at a cost of more than $1 billion. Among other obvious concerns, such as the Iraq-Iran war, Israel's recalcitrance on the Palestinian autonomy issue was sure to draw heavy fire from the assembly. Warned Saudi Information Minister Muhammad Abdou Yamani: "Unless the Israelis feel the heat, they will be ready to negotiate for the next 100 years."

—By Russ Hoyle. Reported by David Aikman/Jerusalem

EL SALVADOR

"Pray You Are Right, Don José"

Duarte exudes confidence, but the guerrillas hang on

El Salvador's civilian-military regime expressed confidence last week that it had succeeded in repelling the vaunted "final offensive" of the country's revolutionary left. José Napoleón Duarte, the shrewd Christian Democratic politician who heads the junta, attributed the left's setback to its failure to win popular support. Duarte offered amnesty to any guerrillas willing to lay down their arms, pledged to move forward on the junta's promises of social reforms and free elections, and toured the provinces like a glad-handing political campaigner.

Embracing a group of children in the recaptured provincial capital of San Francisco Gotera, Duarte declared: "These are the future of our country and none of us wants to see them become guerrillas." The local Indians broke into applause when he assured them that they would no longer have to fear guerrilla attacks against the town. An old Indian woman raised her hands in prayer and cried out: "Pray to God you are right, Don José!"

The leftists, however, although they had received a heavy beating from government forces, were hardly ready to concede defeat. Said a commander of a 300-man guerrilla contingent of the Forces of Popular Liberation: "The offensive has many stages. It may take three or four more months." The guerrillas, in fact, were still in control of scattered patches of countryside and some villages in the northern provinces of Chalatenango and Morazan. Sporadic fighting continued.

Having tasted blood and victory, the army's counterinsurgency forces were in no mood for mercy. In one mopping-up operation around Santa Ana, the scene of some of the heaviest fighting, government troops claimed to have killed a column of 97 leftists, including 21 women, two doctors, an engineer, and several employees from a local power company. As usual they took no prisoners.

President Duarte boasted that the guerrilla offensive had been contained "without the use of a single American bullet." Nevertheless, in response to the guerrilla offensive, the U.S. discarded earlier misgivings and rushed to El Salvador's assistance with $10 million in military aid. By way of justification, U.S. diplomats argued that the increasing flow of sophisticated weaponry to the leftists from foreign sources indicated that the antigovernment forces had, in the words of U.S. Ambassador Robert White, "upped the ante." The envoy pointed the finger mostly at Nicaragua, not only as a transit point for arms, but also as the possible base from which a bizarre seaborne "invasion" had supposedly been launched during the offensive against the eastern coast of El Salvador.

The U.S. had earlier suspended all military aid to El Salvador pending the outcome of an investigation by a Salvadoran commission into the murders of four American missionaries last month. Despite the lack of evidence that any investigation was even going forward, Washington moved swiftly to resume $5 million in nonlethal matériel—jeeps, trucks and transport helicopters, with

Overcoming Antagonisms

A short, leathery-looking baker turned Communist organizer. A graying law professor who was once the country's moderate Vice President-elect. An attractive, dark-haired ex-medical student turned fierce guerrilla fighter.

The leadership of El Salvador's revolutionary left is a diverse, sometimes unlikely group, as varied in its personalities and ideologies as the alphabet soup of its political parties, grass-roots organizations and guerrilla armies. It is only within the past year that the leftists have tried to overcome their old antagonisms and unite under the umbrella of the Farabundo Martí National Liberation Front (F.M.L.N.) for a "final offensive" toward their common objective: the overthrow of the civilian-military junta and the installation of a revolutionary regime.

The senior revolutionary leader of the F.M.L.N., the joint military command of the five major antigovernment guerrilla groups, is Salvador Cayetano Carpio, 61, who rose through trade union ranks to become secretary-general of the Salvadoran Communist Party. In 1970 he broke away to pursue armed revolution. He formed the Forces of Popular Liberation, the largest guerrilla army operating under the F.M.L.N. umbrella. Cayetano owes his survival to his emphasis on security. Before their amalgamation with the other groups a year ago, Cayetano and his subordinates wore hoods so that they were not known even to each other. Cayetano himself was known only by his *nom de guerre*, Marcial. British Author Graham Greene, who pleaded unsuccessfully with Cayetano last summer to spare the life of a kidnaped South African diplomat, said of him: "His eyes, they are hard. I wouldn't like to be his prisoner."

Early this month, reports TIME Correspondent James Willwerth, the F.M.L.N. and its political counterpart, the Democratic Revolutionary Front, formed a seven-member "commission" to operate as the political wing of the movement. The commission's head is former Law Professor Guillermo Ungo, 49, a prominent Social Democrat who served for three months on the original junta that was installed after the overthrow of the military regime in October 1979. In the 1972 elections Ungo was the vice-presidential running mate of centrist Christian Democrat José Napoleón Duarte. A member of the Socialist International, alongside such respected Social Democrats as Willy Brandt, Ungo is said to be planning to tour foreign capitals in an attempt to muster broader democratic support for the revolution.

Another key member of the commission is Ana Guadalupe Martínez, a hardlining revolutionary who became El Salvador's best-known guerrilla *commandante* after she posed for a propaganda poster with a rifle cocked on her hip. The diminutive, 28-year-old former medical student left school in 1972 to join the People's Revolutionary Army, El Salvador's second largest guerrilla group. In 1976 she was captured by national police, raped and tortured during nine months in a secret prison.

Martínez with her poster

Other members represent conflicting leftist isms ranging from Trotskyism to orthodox Marxist-Leninism to "Christian Socialism." Differences about strategy and tactics have also contributed to the revolution's fragmentation. The moderates, like Ungo, for instance, may one day choose the route of political compromise with the government if—and when—their military campaign is finally and decisively defeated. The diehard Marxist-Leninists like Cayetano, on the other hand, are likely to fight on indefinitely for what they regard as a class struggle to the death.

U.S. technicians to maintain them.

It also rushed an additional $5 million in emergency—"lethal," meaning combat—equipment, including M-16 rifles and M-79 grenade launchers, as well as four more helicopters and a dozen more U.S. technicians. In fact, the Salvadoran military could probably outfit two battalions with the caches captured from the guerrillas during their offensive. Most of the weapons were of Western manufacture: Belgian automatic rifles, Israeli-made Uzi submachine guns and U.S. M-16s. There were also large numbers of Soviet grenades and Chinese-made rocket launchers. The weapons, bought in many places and stockpiled in Nicaragua, according to intelligence reports, had been smuggled by small plane to clandestine landing strips in remote areas of El Salvador. Nicaragua has repeatedly denied such trafficking, but the Sandinistas have proclaimed their moral support of El Salvador's leftist offensive.

In Washington, the renewed U.S. aid, and especially the dispatch of U.S. personnel for training and the maintenance of sophisticated equipment, raised edgy questions about the wisdom of direct U.S. involvement in the Salvadoran conflict. The junta is already sensitive to accusations that it is being propped up by the U.S., and to comparisons with the U.S.-backed regime in South Viet Nam.

Increased U.S. military aid could also offer a pretext for the guerrillas' backers in Nicaragua and elsewhere to step up their own covert, and possibly even overt support. Thus, even as the guerrilla offensive appeared to have been halted for the foreseeable future, officials in the new Reagan Administration were worried that El Salvador might soon confront them with one of their first serious foreign policy dilemmas. *—By Sara Medina. Reported by Bernard Diederich/San Salvador*

Youthful guerrillas brandish weapons

Hardly ready to concede defeat.

Flanked by bailiffs, an unrepentant Jiang Qing enters the courtroom in Peking

CHINA

Guilty Verdict: the Gang of Four

And a suspended death sentence for Mao's widow

Shouting radical slogans from the Cultural Revolution, Jiang Qing was ignominiously hustled out of the courtroom by uniformed bailiffs. The normally grave panel of judges and prosecutors applauded as the disgraced widow of Mao Tse-tung was declared guilty of "counterrevolutionary crimes" and sentenced to death with a two-year reprieve. The other nine defendants, each standing in turn to face the court, heard their verdicts with the same passive expressions they had worn since the trial began on Nov. 20. Thus, in a dramatic Sunday morning Peking court session, did China, after a mysterious delay of several weeks, conclude the celebrated case of the "Jiang Qing–Lin Biao counterrevolutionary clique."

The climactic session of the trial against China's once powerful radicals contained few surprises. As the two-hour proceeding got under way at 9 a.m., the defendants were herded into the courtroom one by one and seated behind an iron railing. Three judges took turns reading the court's 14,000-word judgment. It declared each of the defendants guilty of one or more of 46 counts against them, ranging from slandering state and party officials to plotting to assassinate Mao. Jiang and former Shanghai Mayor Zhang Chunqiao, 63, were named the chief culprits of the Gang of Four. They were the only defendants to receive suspended death sentences. The official reason given for their two-year grace period was to allow the condemned prisoners "to reform through labor." In fact, while their reprieve is theoretically only two years, Jiang and Zhang will almost surely never be shot.

The next stiffest sentence—life imprisonment—went to the Gang of Four's Wang Hongwen, 46, who had rocketed from obscurity to the No. 3 slot in the Communist Party hierarchy during the Cultural Revolution. The fourth member of the Gang, Propagandist Yao Wenyuan, 49, got 20 years. The other six defendants, including five former top military officers convicted of plotting to kill Mao in 1971, got sentences ranging from 16 to 18 years in prison.

As usual, Jiang Qing provided the proceedings with their most dramatic moments. The onetime movie actress, 67, who was handcuffed as soon as her death sentence was announced, made a final, characteristic gesture of defiance by shouting the slogans she had used so often during her heady days of power: "Revolution is no crime! To rebel is justified! Down with revisionism!" At the end of the trial, Jiang refused to leave the courtroom, seeming to want to drop limply to the floor. But she was finally grabbed by the scruff of her neck and expelled from the chamber by three bailiffs.

According to Chinese sources, the final verdict had been delayed by wrangling within Peking's top leadership over whether or not to spare Jiang's life. The end of the long trial caps the orchestrated purge of China's once powerful, Mao-inspired radical faction. The trial was, in fact, largely an act of vengeance by the officials currently in power, most of whom had been purged during the 1966-76 Cultural Revolution. Fittingly enough, the widows of several of the top leaders who did not survive the violence of that upheaval were in the audience for Sunday's proceedings. Among them was Wang Guangmei, widow of onetime Head of State Liu Shaoqi. Wang triumphantly declared the trial a "victory for the people." In reality, it was mainly the victory of the ruling faction of Vice Chairman Deng Xiaoping, which now enjoys almost undisputed power. But the Chinese people, who have bad memories of the Cultural Revolution, are not likely to grieve over the verdict on the radicals. ■

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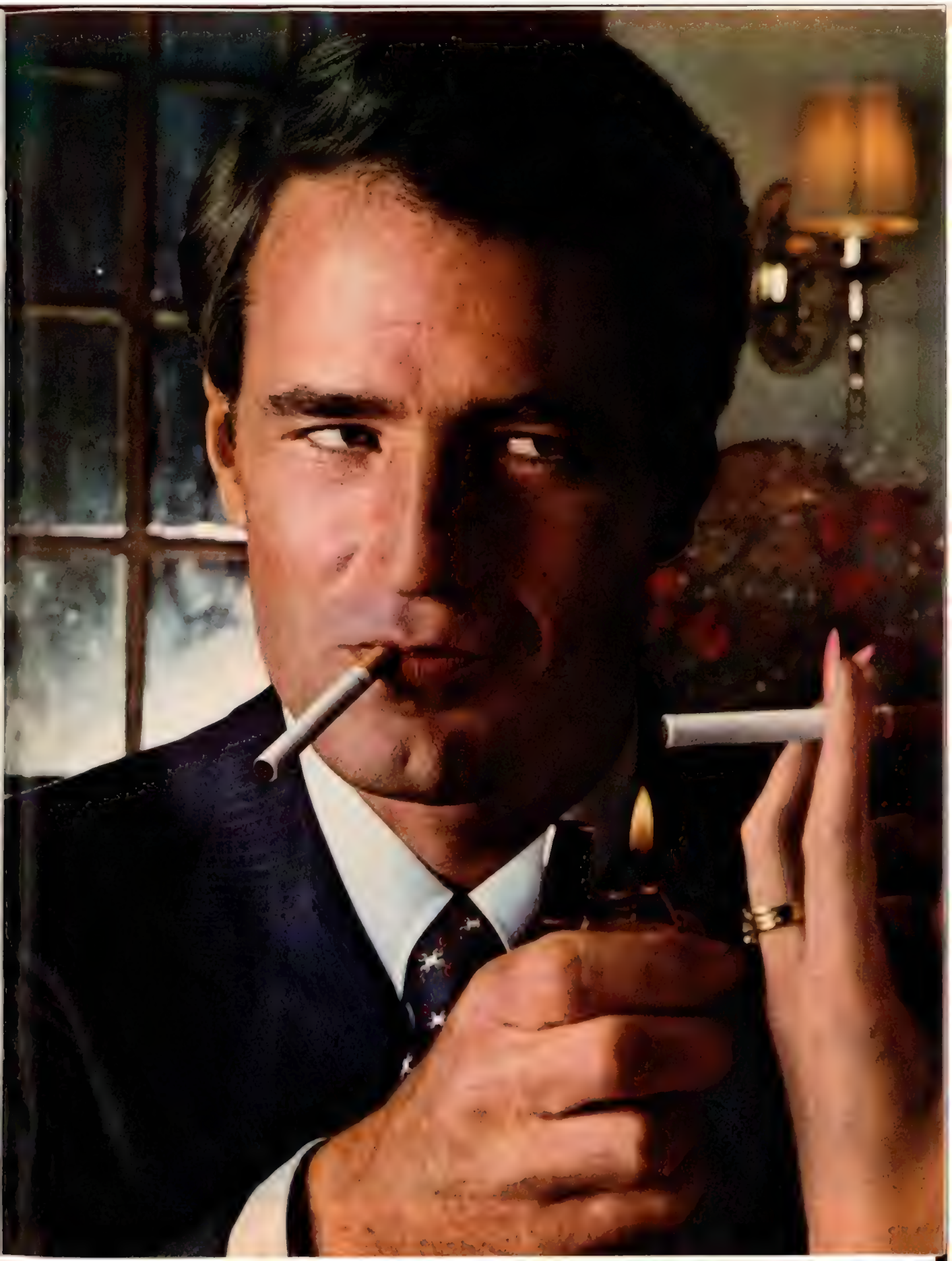

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SOUTH KOREA

The President Opts for Mercy

Chun spares Kim's life

Within the space of a single hour last week, South Korea's political situation took a dramatic and hopeful step forward. To hardly anyone's surprise, the country's 15-man Supreme Court had upheld a verdict rendered four months ago by a military court that sentenced Opposition Leader Kim Dae Jung, 55, to death by hanging for sedition and attempting to overthrow the government. But 60 minutes later, to some surprise and considerable relief, the South Korean Cabinet, at the direction of President Chun Doo Hwan, 50, commuted Kim's sentence to life imprisonment in the interest of "national reconciliation." Harsh as that was, it was far less than a death penalty that would have carried serious international repercussions.

Chun had good reasons for acting as he did. Kim, who has either been in jail or under house arrest for much of the time since he was kidnaped from a Tokyo hotel room in 1973 by the Korean CIA and hustled home, is one of South Korea's most popular politicians. Two years before his kidnaping, he polled 43% of the vote in an election that was obviously rigged to favor then President Park Chung Hee. Hanging him would get rid of a constant nemesis for Chun, an army general who became provisional President last September, nearly a year after Park's assassination. Chun is running for a full term in presidential elections on Feb. 25. Besides that, an execution would mollify Chun's fellow officers, who would like to eliminate their most divisive opponent.

But the argument on the other side was stronger. Since Kim's death sentence, the U.S., Japan and West Germany have conveyed strong protests and low-key threats to head off his execution. More than that, one day before the Supreme Court upheld Kim's death penalty, President Reagan's formal invitation to Chun to visit Washington was announced. The invitation, which Chun has accepted, will make the South Korean strongman one of the first foreign leaders to be received at the White House since Reagan's Inauguration. It would scarcely do for him to arrive with blood on his hands. Indeed, the new Administration would never have issued the invitation if it thought such an event likely.

The reaction to Chun's act of mercy was just what he had hoped for. The Japanese government, for whom the Kim case has become the most vexing and potentially critical problem with neighboring South Korea, was mollified and happy. Prime Minister Zenko Suzuki described himself as "greatly relieved that the worst has been avoided." Said a U.S. State Department spokesman in Washington: "We welcome the decision. Our concerns are well known to the Korean leaders, but this is President Chun's decision."

The White House was relieved, too, because an acrimonious issue between Seoul and Washington has been removed. At week's end, Chun provided a further claim to U.S. goodwill by abolishing censorship and lifting the martial law edict that had been in effect since Park's assassination in 1979. Not only will next week's talks with Chun now go more smoothly, but so will Exercise Team Spirit, the maneuvers scheduled to begin this week involving the South Korean Army and the 39,000 American troops stationed along the country's border with North Korea. U.S. General John A. Wickham Jr., who commands the combined forces, is seeking increased foreign military sales credits to update Korean-manned defensive hardware. Chun's liberal gestures should help pave the way for U.S. congressional approval. ■

Chun conducting press conference

Kim Dae Jung before his trial and sentence

Strong reasons for and against the gallows.

NORTHERN IRELAND

Tit-for-Tat Murder

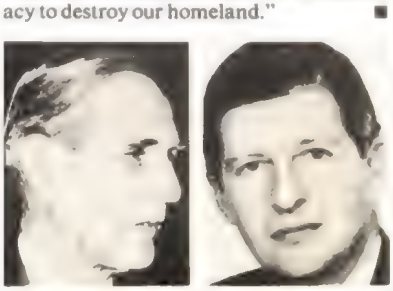
Shootout at the abbey

Inside their turreted, Norman-style abbey in Ulster's County Armagh one evening last week, Sir Norman Stronge, 86, and his son James, 48, had just retired to the library after dinner. The baronet, once speaker of the Northern Ireland Parliament and a former head of the Black Order (a staunch Protestant group), was relaxing in his ancestral home when suddenly the great wooden doors of the 18th century castle were blasted open by a violent explosion. Through the breach burst eight gunmen. The masked and heavily armed terrorists shot the victims through their heads, set off incendiary bombs that burned Tynan Abbey to a shell and fled —right into the gun sights of waiting police, who had been alerted by the blasts.

After a fierce gun battle of about ten minutes, the assassins abandoned their cars and escaped on foot across the nearby frontier of the Irish Republic. At week's end they were still at large, despite an all-out security operation mounted on both sides of the border.

The Provisional I.R.A. quickly claimed responsibility for the killings. A spokesman in Belfast said that the attack was a reprisal for a series of "assassinations and murder attacks on nationalist people." Specifically, the killings were believed to be in revenge for the shooting, a week earlier, of Catholic Activist Bernadette Devlin McAliskey and her husband Michael. Devlin and her husband survived, but were reported still in serious condition in a Belfast hospital.

The murders, with all their similarities to the I.R.A.'s killing of Lord Mountbatten in August 1979, drew condemnation from moderates on both sides of the sectarian struggle. "Even at 86 years of age," said Catholic Politician Austin Currie, "Sir Norman was still incomparably more of a man than the cowardly dregs of humanity who ended his life in this barbaric way." Still, the violence seemed to signal a new round of tit-for-tat murders. Last week the Ulster Defense Association, a Protestant paramilitary organization, warned Protestants to fight "this conspiracy to destroy our homeland." ■



Sir Norman Stronge and Son James

THE PHILIPPINES

An End at Last to Martial Law

But Ferdinand Marcos has new powers to repress opposition

The events were newsworthy but not entirely convincing. With uncharacteristic patience, police waited a full half-hour before breaking up an antigovernment demonstration in front of the U.S. embassy in Manila last week. On the government's own television channel, a brief film clip showed an opposition politician challenging official charges that her organization was under socialist control. And in scattered locations across the Philippine archipelago, 159 political prisoners were freed from detention in military stockades.

Thus, in carefully modulated steps, President Ferdinand Marcos signaled the end of eight years and four months of martial law in the Philippines. Marcos grandly described his decision to lift the onerous rule as "an encounter with destiny." In fact, the gesture seemed to be a largely cosmetic maneuver designed to improve his international image. He had used the previous several weeks to establish new legal weapons that could be used at will to squelch any real threat of opposition. Still, he was expected to try to avoid using his new personal powers and, in the balance, to allow some modest liberalization, if only for a few months.

Marcos made his move with his usual sense of adroit timing. He lifted martial law just three days before President Ronald Reagan's Inauguration, eleven days before representatives of donor countries and agencies were to meet in Paris to discuss past and future aid to the Philippines, and a month before a scheduled visit by Pope John Paul II. The Pontiff's tour, his first to the Far East, has stirred anticipation both inside and outside the Philippines. Though Marcos vehemently denied any such considerations, a family intimate said otherwise: "He and Imelda [the President's wife] are obsessed with the image of the Philippines in the international media. The prospect of hundreds of foreign journalists descending for the Pope's visit was one of the key factors pushing Marcos to get rid of the martial-law label."

The elimination of that label would also help ease Manila's strained relations with Washington. In one of his few pre-Inaugural sessions with foreign leaders, Reagan assured Mrs. Marcos, according to one participant in a meeting in December in New York City, that his Administration would treat the Philippines as a "major ally." The conversation, observed a diplomat in Manila, left the Marcoses "almost euphoric."

Washington's posture, in fact, had already begun to change under Jimmy Carter. Before the Soviet invasion of Afghanistan, the Carter Administration had persistently criticized the Marcos regime for human rights violations. Then, as tensions with Moscow increased, Washington softened its tone. One Filipino opposition figure recalls a warning from Congressman Stephen Solarz, the liberal Democratic chairman of the House Subcommittee on Asian and Pacific Affairs, who visited Manila in January. As much as some Americans supported the Philippine opposition's demand for democracy, said Solarz, the U.S. was not about to jeopardize its strategic military facilities at Clark Air Force Base and Subic Bay by backing it against Marcos.

Given Marcos' improved stature abroad and his still formidable powers at home, mainstream opposition leaders sounded particularly cautious last week. Said Assemblyman Salvador ("Doy") Laurel, a prominent member of Unido (the United Democratic Opposition): "Martial law has set up a huge apparatus of one-man rule, and you don't dismantle that with one piece of paper. But we will reserve judgment and keep pressing for further liberalization and reform." Unido's own official statement was much more critical: "This charade fools no one. It is imperative that all decrees that Mr. Marcos issued over the years granting himself absolute power shall be repealed. And we would like to see the early holding of a genuinely clean and honest national election."

One supporter of the document, exiled former Senator Benigno ("Ninoy") Aquino, seemed to appraise the lifting of martial law more positively. Now lecturing and writing at Harvard University, Aquino spent 7½ years as a political prisoner, 2½ of them under a martial-law death sentence for his criticism of the Marcos regime. He suggests that while the President's gesture is "a very, very short step, I think it's a step in the right direction. We should encourage him along these lines. I told my fellow opposition members that instead of condemning Marcos outright, why not probe him and see how far we can get?"

Marcos' opponents may not get very far unless he chooses a more tolerant course than he has in the past. Habeas corpus remains suspended in crimes against state security. Strikes in vital industries are still prohibited. Though the power of military courts is now limited to pending cases, the army and constabulary forces will still play a dominant role in maintaining domestic peace. The Public Order Act, a decree that mysteriously surfaced two weeks ago, gives Marcos the power to muzzle the press and hold anyone in preventive detention simply by declaring that a "grave emergency" is imminent. Moreover, recent decrees from the President's Malacañang Palace have given him extensive authority over rural banks, agricultural marketing and food distribution.

Even his political foes expect Marcos to hold most of those powers in reserve for the moment. But critics fear that what were once the prerogatives of martial law have now become a part of the regular legal system, and could be employed at the President's whim. "Marcos now has a monopoly on physical, economic and psychological power in the Philippines," argues Civil Libertarian José Diokno. "He has no need for martial law any more." *—By Mayo Mohs. Reported by Ross H. Munro/Manila and Jeff Melvoin/Boston*

Marcos announcing the lifting of martial law at Malacañang Palace

The President's opponents called for "a genuinely clean and honest national election."

"We'd Better Be Ready"

As the hostage story broke, newshounds were straining

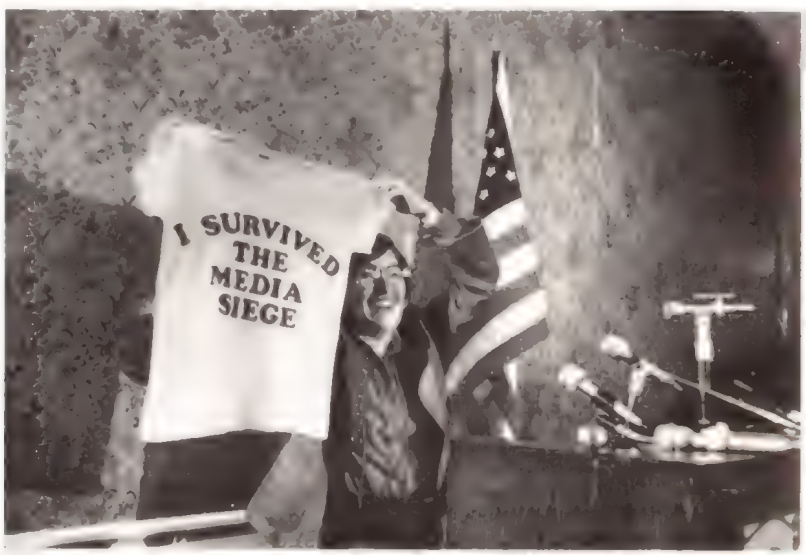
For days it was obvious that the two hero-size news stories were on a collision course. "What happens," worried an NBC news executive, "if the hostages are freed at the moment Reagan is taking his oath of office?" Several blocks away, at ABC's broadcasting studios, *World News Tonight* Executive Producer Jeff Gralnick, 41, was warning his harried news staff: "We'd better be ready! We'd better be damned ready!"

When the two stories converged within 28 minutes last Tuesday, the U.S. press was ready—perhaps too ready. ABC, CBS and NBC together spent an estimated $10 million to cover the interlocking dramas. Each fielded some 400 news reporters, producers and technicians worldwide to cover the stories, pulling many staffers off other assignments. Says Ernest Leiser, CBS vice president for special events and political coverage: "We had to cannibalize the rest of CBS news in order to do it." The Associated Press and United Press International had hundreds of reporters in Washington, Wiesbaden, Frankfurt and Algiers, as well as in dozens of American towns where relatives of the hostages awaited their release.

In Washington, reporters kept 24-hour vigils at the State Department and White House for the latest word on the progress of the hostage negotiations. The Los Angeles *Times* put all 27 of its Washington reporters and editors on the two stories, the first such concentration of coverage since the Nixon resignation in 1974. Says Bureau Chief Jack Nelson: "We brought in a lot of sandwiches."

Meanwhile, nearly 1,000 journalists gathered at the Air Force hospital in Wiesbaden and at nearby Rhein-Main airport in Frankfurt to await the captives. Each TV network had at least 50 people on hand, some from as far away as Bangkok and Johannesburg. Studios had been set up in the Frankfurt-Sheraton Hotel last October, when it looked as though the hostages would be freed. Said Thomas Cheatham, NBC's Israel bureau chief, who had been standing by in West Germany for the past four months: "A minimum figure for the watch here alone would be well over a million dollars for each network, and at least another million for pool coverage." The payoff was meager, however, since the hostages were rarely available to the press. Said William Tuohy of the Los Angeles *Times*: "Too much press, too little information."

The Washington *Star* and the rival *Post* both published extra editions on Tuesday. It was the first *Post* extra since President John F. Kennedy was assassinated in 1963; soon after it hit the streets, one vendor was offered $5 for a copy. Many other newspapers put out special supplements on the hostages. In Milwaukee, the *Journal* started printing a special eight-page wraparound section moments before the planes carrying the hostages to freedom took off from Tehran. The special sold an extra 45,000 over the normal press run of 320,000. Says Assistant Managing Editor George Lockwood: "It was nip and tuck at the end. There were butterflies in our stomachs." Newspapers in the U.S. and Europe generally gave the hostage story top billing over the Inauguration, but the New York *Times* led with Reagan's swearing-in. Said *Times* News Editor Allan Siegal: "In terms of real importance in the long run, we thought the Inauguration was the bigger story."



With her husband headed home, Marjorie Moore displays a T shirt given to her by reporters

For journalists, vigils in Wiesbaden, Washington and anywhere captives' families lived

As the hostage story neared its climax, network anchormen displayed uncharacteristic tension. Citing an Agence France-Presse report at 10:23 a.m. that a plane was taxiing on the runway at Tehran airport, CBS's Dan Rather snapped that the wire service had been "a pillar of inaccuracy." Minutes later, convinced that the Iranians were holding the hostages until Carter was out of office, Walter Cronkite angrily confessed on the air: "I try to remain the cool correspondent, impartial and unaffected by events, but it seems like the most uncivilized final touch to an uncivilized performance that I can imagine."

Once the hostages were airborne and the new President had been sworn in, live satellite hookups swiveled from Washington to Algiers to West Germany to the home towns of dozens of hostages. When the hostages deplaned in Algiers, each network had an ex-hostage on hand in the studios. At NBC, seeing the hostages safe in Algiers, former Captive Lloyd Rollins began to speak of Iranian mistreatment of the Americans. One shocking revelation: some had been forced to play Russian roulette. At CBS, as former Hostage Richard Queen quietly named each returning American descending the airplane ramp, Dan Rather's voice broke with the emotion shared at that moment by millions of television viewers worldwide: "The 52 American hostages! All of 'em back!" Suddenly the Americans were no longer hostages; groping for a new term, reporters called them "just-freed hostages," "ex-hostages," even "returnees."

The most ambitious coverage, print or electronic, came from ABC, which aired a gripping three-hour documentary that reconstructed months of secret, futile negotiations to free the hostages. Pieced together by ABC Paris Bureau Chief Pierre Salinger, the report made several startling assertions: that the U.S. was willing to have the late Shah arrested in Panama, that the militants in the embassy had blocked one near settlement by threatening to kill themselves and their prisoners; that U.N. Secretary-General Kurt Waldheim had bungled the negotiations at a critical juncture. At week's end Waldheim called the allegations "untrue and unfounded." But Carter telephoned Salinger to compliment him on "an outstanding job of reporting." The former President denied that he had planned to arrest the Shah, and disputed some other points, but

called the report "basically accurate."

Even before the hostages' release, the press had descended on their families with Fleet Street ferocity. Smiling local anchormen seemed to rain from the sky; five television helicopters set down in a cornfield next to the home of Hostage Frederick Kupke in Francesville, Ind. (pop. 975). Lawns were trampled, living rooms were crammed with reporters and television gear. Dr. Ernest Cooke, father of one of the hostages, updated Marshall McLuhan's famous aphorism. "The medium," said Cooke, "may be mostly equipment."

To ingratiate themselves with the overwrought families, reporters offered flowers, television sets, money and even a pet hamster. A handful of journalists doubled as family spokesmen, and others developed emotional bonds that made journalistic detachment impossible. Said Joyce Valdez, who covered the family of Billy Gallegos for the Pueblo (Colo.) *Chieftain:* "Sometimes I felt like hugging them." Sam Jones of KTHV-TV in Little Rock helped the Kirtley family arrange an expansion of their home and was once spotted sweeping their porch. When Marine Sergeant Steven Kirtley called home from Wiesbaden, the busy reporter was amply repaid: he got an exclusive interview. Other family members, like Hostage Bert Moore's wife Marjorie, managed to resist most such entreaties.

In the frenzied race for reactions last week, two reporters nearly came to blows on the Gallegos' front porch; another was caught riffling through the family mail. In Globe, Ariz., NBC Correspondent Don Oliver got into a shouting match with Hostage James Lopez' mother Mary, demanding an interview. She won. In Edwardsville, Pa., Mrs. Theresa Lodeski finally heard from her son, Bruce German, at 4 a.m. Wednesday. A reporter snatched away the phone and began firing questions at German. Said German's half-brother Ari Benjamin: "We had no idea how ruthless the press could be."

If the hostage families were tired of the media siege, so were the journalists. Said a Boston television reporter: "People only have so many emotions, and we constantly asked them to come up with more. After a while, I began to feel stupid." In New York City, some reporters disobeyed their editors' instructions to follow Barbara Rosen, wife of one of the hostages. Explained J.J. Gonzales of WCBS-TV: "There is a line between coverage and harassment." As the hostages prepared to return home at week's end, a protective Government made plans to ensure them a measure of privacy. The reunion with their families was set for the U.S. Military Academy at West Point, where —aside from one scheduled news conference—authorities could keep the newshounds at bay. A few more days in a kinder sort of captivity was necessary before the hostages could face freedom —and the press. —*By Janice Castro*

Murdoch's Risk

The Times *goes down under*

His papers were feisty and profitable, brimming with grisly crime stories and pictures of scantily clad women. But Rupert Murdoch, 49, was never content to be lord of the tabloids. He gained a foothold in New York with the racy *Post*, then reached for a more literate audience with *New York* magazine and the *Village Voice*. Now the Australian publisher has reached an agreement to purchase one of the world's most staid and revered publications, the *Times* of London.

Murdoch has made his acquisition of the *Times* (circ. 290,000), the *Sunday Times* (circ. 1,425,000) and three weekly supplements (*Literary, Educational and Higher Education*) contingent on their unions' agreeing to manpower reductions and other concessions within three weeks. The present owner, the Toronto-based Thomson Organization, has fought long and unsuccessfully to introduce computerized typesetting equipment, which would save labor and money. After losing more than $30 million last year, Thomson put the papers on the block, declaring that it would fold them in March if no buyer could be found. Enter Murdoch, who is reported to have offered upwards of $65 million. Says he: "I have a practical knowledge of, and a good working relationship with, the unions in Fleet Street." Indeed, despite Murdoch's ultimatum to the unions, labor leaders seemed pleased with the impending sale. Said Owen O'Brien, head of one print union: "Mr. Murdoch is tough, but he sticks to his word."

Murdoch with his intended acquisition
"Tough but he sticks to his word."

Though the deal would save the *Times*, the announcement of the would-be rescuer has been greeted with dismay. Britons are already familiar with Murdoch's saucy *Sun* and sleazy *News of the World*, and the great worry is that the *Times* will itself adopt what the paper just four months ago described as "the breathless, grubby vision of the world inherent in the Murdoch style." Tongue tucked in cheek, *Daily Mirror* Columnist Keith Waterhouse told readers not to fret. "The girls," he wrote, "will appear in the *Times Literary Supplement* wearing fish-net stockings and mortarboard."

Murdoch and Thomson have attempted to quiet fears by making the paper's continued editorial independence and integrity conditions of the sale. Some members of Parliament are nevertheless attempting to block the sale by demanding that it be reviewed by the Monopolies and Mergers Commission, the customary procedure in a newspaper transaction of this size. But such a review can be waived if a paper is in danger of folding. Says Murdoch, eager to keep the presses rolling: "This is a time for a new face and a new beginning." ■

News Lockout

Gag order in South Africa

South Africa is hardly known for its enlightened human rights policies, but it does like to pride itself on having a free press. In fact, journalists in that country live in the shadow of an iron-fisted state security apparatus that is armed with more than 100 separate laws governing what can and cannot be published. Last week that shadow lengthened when the state closed down the country's two leading black newspapers, the *Post (Transvaal)*, which has a circulation of 113,932, and the *Sunday Post* (circ. 124,000). Published by the white-owned Argus Co., the two newspapers are widely read in Soweto and other black townships near Johannesburg. The papers were said by Minister of Justice J.J. Coetzee to be "creating a revolutionary climate in South Africa."

The move follows the recent bannings (virtual three-year house arrests) of three prominent black journalists, and the creation of a parliamentary commission to investigate the press. The latest crackdown provoked an immediate outcry. "An invitation to confrontation and disaster," said South Africa Society of Journalists President John Allen. Added Opposition Leader Dr. Fredrik Van Zyl Slabbert: "The reality of black feelings, demands, aspirations and reaction will not disappear because people cannot read about them. They will simply be communicated underground." Even the staunchly pro-National Party *Die Transvaler* objected. Said the paper: "It must be asked how democracy could be served if mouthpieces of the left-wing sections of the community are gagged." ■

Two Altars, One Mass

Catholics and Episcopalians worship together in a unique church

The priest at the altar lifts a loaf of *pita* bread and recites the familiar words of consecration: "Take this, all of you, and eat it: this is my body which will be given up for you . . . do this in memory of me." Meanwhile, at the opposite end of the sanctuary, a second priest lifts an identical loaf and intones: "Take, eat: This is my Body, which is given for you. Do this for the remembrance of me . . ."

The overlapping words convey an impression of unity and division. They were spoken last Sunday, during the 74th annual Week of Prayer for Christian Unity, as they are almost every week, at the Church of the Holy Apostles in Norfolk, Va. It is the only U.S. congregation officially listed as both a Roman Catholic and Episcopal church. Anglicanism kept a Catholic style of worship when it broke with Rome in the 16th century. Now, except for using separate altars at the consecration, parishioners recite the same liturgies, Catholic one week, Episcopal the next. From classes in religious education to church socials, Holy Apostles runs almost all activities together.

Though the Anglican-Roman Catholic International Commission laid down a doctrinal basis for joint Communion in 1971, the Church of Rome does not permit the practice. While negotiations on such matters proceeded on the world level, the Catholic and Episcopal dioceses covering Norfolk decided to try something specific on their own. Five years ago, a committee began thrashing out the details of how a joint congregation could work. By November 1977, a chapel had been rented and two priests had been recruited: Catholic Raymond A. Barton, now 40, and Episcopalian Donald W. Gross, 44.

To govern Holy Apostles and handle disputes, the planners set up a joint council. Music proved troublesome, so the church alternates Catholic chants and contemporary music with the Episcopal hymnal. Barton and Gross take turns preaching and presiding at services and assist each other during baptisms and confirmations. Holy Apostles has developed into a thriving congregation of 300 members, two-thirds of them Catholic. One reason it has not grown faster is that it expects worshipers to do pastoral work; most are active visiting hospitals and prisons and in other part-time ministries. Says Episcopalian Carolyn Pollie, a mother of four and a founding member: "We don't expect people to *go* to church; we expect them to *be* the church."

The goal of the group, says Pollie, is to "heal some of the obvious injury of separation." John McManus, a Catholic newspaper reporter who was once thrown out of school as a boy for beating up Protestants, is now shedding "we-they" attitudes and giving money to Episcopal missionaries. Among the most obvious beneficiaries are people in mixed marriages. Episcopalian Jean Koch used to attend Mass with her Catholic husband and daughter but secretly "felt deprived." Now the family worships together happily. ■

Father Gross (left) and Father Barton after joint service in Virginia

Overlapping words that convey an impression of both division and unity.

A goaltender's nightmare: the New York Islanders' Mike Bossy boring in on the net

Bullets from the Boss

The N.H.L.'s sharpest shooter has just begun to fight

Toe Blake knows a little something about scoring goals in hockey games. As a player for the Montreal Canadiens, Blake led the National Hockey League in points (goals plus assists) in 1939. In 13 seasons as the Canadiens coach, he won eight Stanley Cup titles and shepherded the careers of Maurice ("Rocket") Richard, Jean Beliveau and Bernie ("Boom-Boom") Geoffrion. From behind the bench, Blake schemed to stop such high-scoring opponents as Gordie Howe, Bobby Hull, Phil Esposito and Stan Mikita. So when it comes to evaluating hockey's newest natural wonder, the New York Islanders' Right Wing Mike Bossy, Blake is succinct: "Why is Mike Bossy great? That's easy. He scores goals."

Lots of them. Earlier this season, in only his 244th game, Bossy scored the 200th goal of his career. Thus in slightly more than three years in the N.H.L., Bossy has reached a scoring plateau attained by only 123 players. His closest challenger, Richard, required 336 games to reach 200 goals. This month Bossy set an N.H.L. record for hat tricks (three goals or more in a game) in a single season, with eight. In his first 49 games this year, Bossy poured in 48 goals, the hottest scoring pace since Richard's 1945 mark of 50 goals in 50 games. For Bossy, such feats are merely doing what comes naturally: "Nobody sets out to break records. You just play, you score, and they happen. But the 50-in-50, that's one I want. Having my name next to Richard would not be too shabby."

Born in Montreal, the fifth of ten children, Bossy grew up playing with his brothers on a rink set up in the backyard by his father, an industrial engineer. As a peewee and junior, he poured the puck into the net so often that the French-speaking *Québecois* adopted Bossy, whose parents are English, as one of their own, listing his name as Michel, not Mike, in the newspaper stories extolling his scoring exploits. In four years as a junior player with the Laval Nationals, he scored 308 goals, but was passed over by 14 teams in the amateur draft because it was thought he could not play defense. The Islanders snapped him up, and in his second season he led the league in goals with 69, a total bested only by Phil Esposito's 1971 record of 76. Bossy also won the N.H.L.'s Rookie of the Year trophy. Along the way he learned to forecheck, ride opponents into the boards and otherwise play defense. At 24, he has become a rounded player. Says Bossy: "I was never asked to do that before, but I want to be more than a goal scorer."

Relaxing before a game in locker room

Only Space Invaders shoot quicker

He is still disarmingly in awe of his talent. "It's hard for me to admit that I have something other people don't," he notes, adding, "but I do." Tony Esposito, the Chicago Black Hawks goaltender, sums up: "Bossy has the knack of hitting the open spot in the net, just like my brother Phil. You can't teach that. You have to be born with that instinct for the spot where the goalie isn't."

Bossy's skating style is deceptively languid, not galvanic in the manner of, say, Montreal's Guy Lafleur. He circles, seemingly remote, while his linemates, Center Bryan Trottier and Left Wing Clark Gillies, rush the puck up-ice or dig it loose from the corners. When the time comes for a pass, Bossy is often open, waiting for the puck. Once he has it, no one gets off a shot faster. Says Philadelphia Flyers Goaltender Phil Myre: "You're always looking for Bossy, wondering where he is. Sometimes you never see him until after he's scored on you."

Part of the reason for Bossy's disappearing act is the skill and support of his teammates. The Islanders, last year's Stanley Cup champions, boast three former Rookies of the Year—Bossy, Trottier and Denis Potvin, who has also been voted the N.H.L.'s top defenseman three times. Opponents who spend too much time looking for Bossy get burned by Linemates Trottier, the 1980 MVP, and Gillies. "People can say that Mike's success has come because we set him up to score, but it works both ways," says Trottier. "I never had a 100-point year until Mike came along. We're friends more than teammates, and we want each other to do well." Now in their fourth year together, Bossy, Trottier and Gillies have developed a symbiotic relationship. Says Bossy: "I can tell by the feel of the puck on my stick whether the pass has come from Bryan or Clarkie." Trottier explains: "Clark feeds a firm pass on the money. I take a little something off the puck to make it easier to handle."

After his dazzling start, there seems nothing but time between Bossy and even more records. A solid 6 ft., 185 lbs., he has proved durable, despite the not-so-loving attention of the league's defenders. He lives quietly on Long Island with his wife and infant daughter, returning to Montreal during the off-season. Bossy makes a reported $185,000 a year, and will renegotiate into superstar salary status when his contract expires next year. Until then, he has little to fret about —save perhaps an inability to beat his teammates at computer games. Admits the Boss: "They say I've got the fastest hands in hockey, but you'd never know that from the way I play Space Invaders." Nobody's perfect. —*By B.J. Phillips. Reported by Jamie Murphy/New York*

People

Belgian Artist Jean Verame in the Sinai with his rhapsody in blue—rock version

It was an uncontrollable instantaneous vibration that struck Belgian Artist **Jean Verame,** 44, in the Sinai Desert. The Sinai's relief is crazy," he says. "Its density is fabulous." He simply *had* to paint it. But not on canvas. The artist's plan was to decorate the desert —specifically, the 5-sq.-mi. Plateau of Hallaoui—with patterns and fields of cobalt blue paint. "Blue," he explains, "because this color does not exist on the earth's surface." Despite impressive credentials —Verame had already festooned a dried riverbed in France and a mile of the Corsican coast—it took the artist two years to persuade authorities to let him undertake his mad dream." Finally, he got the O.K. from Egyptian President **Anwar Sadat.** This month, after twelve weeks of creative effort with as many tons of paint, the "Sinai Peace Junction" opened to mixed reviews. Cairo's environmentalists disapprove, but "the local Bedouins," says Verame, "love it. Blue, they say, chases away the evil eye."

■

Their marital troubles have filled the gossip columns for years. Stories of his womanizing. Tales of her drinking. His cold-shouldering her in public. Her decision in 1978 to move into her own Boston apartment. Yet when political duty called, **Joan,** 44, and **Ted Kennedy,** 48, had stood together on the 1980 campaign trail, and last week, at what Ted had hoped would be his own Inauguration. With the exception of **Rose Kennedy,** 90, who was informed early Wednesday, and a few intimates, no one expected the announcement they were to issue 24 hours after **Ronald Reagan** took office. After 22 years, the couple had decided "to terminate their marriage," as the brief statement put it, "with regret yet with respect and consideration for each other." No mention was made of where or when divorce papers would be filed or who would have legal custody of **Patrick,** 13, who lives with his father. (**Kara,** 20, and **Edward Jr.,** 19, are legally adults.) Such matters, said the statement, "we intend to resolve as friends."

Joan and Ted Kennedy chat at the Capitol earlier this month

■

The man perched on the ninth-floor edge of a Los Angeles building was not preparing to float like a butterfly. Police, a clergyman and a psychologist tried for two hours to talk him out of jumping, but to no avail. In short, this looked like a job for **Muhammad Ali.** At least that's what one of Ali's p.r. men thought when he happened on the scene. Moments after being summoned, the former heavyweight champ arrived in his personal emergency vehicle—a two-tone brown Rolls-Royce, lights flashing. He ascended to a window near the desperate 21-year-old, a black Navy veteran, and began to rap: "You're my brother," said the Greatest, "I love you and I couldn't lie to you. I want you to come home with me, meet some friends of mine." That seemed to convince the young man that life held some promise. He opened a door to the ledge, and Ali helped him to safety.

Tressless Tess, Kinski

■

To Director **Roman Polanski,** who cast her in *Tess,* she is the "new Ingrid Bergman, a supernova." To **Alberto Lattuada,** who directed her in *Stay As You Are* (1980), she is "a mixture of poison and nectar, more the latter at the box office." But to her own mind, German-born **Nastassja Kinski,** 20, is, like her actor-father **Klaus,** simply, "a professional." Asked to close-crop her luxuriant locks for **Francis Ford Coppola's** *One from the Heart,* the actress instantly complied. "I do whatever the role requires," says the now almost tressless Tess. — *By Claudia Wallis*

On the Record

Peter Drucker, management guru, naming the best-run U.S. organization: "The Girl Scouts. Tough, hard-working women can do anything."

Quentin Crisp, sartorially eccentric English author, on the distinction between fashion and style: "Fashion is what you adopt when you don't know who you are."

Urban cowboy gets heave-ho from mechanical bull at Gilley's outside Houston. Sign warns: Ride the bull at your own risk

Living

C & W Nightclubs: Riding High

With the Texas two-step, fancy fumadiddle and derringer-do

They have names like Charlie Horse Chaps, Mr. McNasty's, Outlaws, Cody's, Dallas, Lone Star Cafe, San Antone Rose, Silver Saddle, Gopher Gulch and Wild Wild West. The sound of them music is country, and the cut of them outfit is cowboy. Country-and-western nightclubs are riding high. In towns and cities from New Paltz, N.Y., to Carmichael, Calif., and North to South, there are now countless sagebrush saloons, corralling urban buckaroos with lively rustic dancing, good ole buddydom and a frontier atmosphere that may owe more to hype than history but is infectious nonetheless. Only a year ago, many of the new spots were disco clubs, whose stylized allure has faded fast in some locales. Now decked out with steer horns, long bars and waitresses in Stetsons and hot jeans, they have struck a bonanza.

They also strike close to the durable American dream of macho romance and derringer-do, the image of cowboy as hero and cowgirl as valiant pardner. Several hundred western-style watering holes feature bucking mechanical bulls on which patrons of both sexes risk serious damage to body and ego (*see box*). A spot called Outlaws, formerly a mud-wrestling disco outside Chicago, provides roisterers (for $2 a pair) with Harrington & Richardson .22-cal. western-style revolvers and nine blank rounds for mock shootouts. At some places, mostly for atmosphere, there are signs announcing NO GUNS, NO KNIVES, NO TIES. For down-the-hatch topers, Chicago's Rodeo offers a selection of booze that includes Redeye whisky, Rotgut Scotch, Panther gin and Snakebite vodka. Rodeo also claims to be the city's largest Budweiser outlet after Wrigley Field. Manhattan's Lone Star Cafe boasts the sizzlingest made-to-order chili east of the Pecos, but attracts a relatively cool clientele. To be sure, says Maryann Smith, 34, the entertainment coordinator, "some people may have *Stagecoach* or *High Noon* in the back of their minds, but they don't throw it in your face. There is respect, good manners, even gallantry —and that goes with the Old West too, doesn't it?"

"Gilleyrats" enjoying a sudsy, steamy evening

Indeed most of the country-and-western clubs aim for an image of laid-back conviviality rather than the high-strung competitiveness of the discos they are replacing. The beat is slower, the music more sentimental and touch dancing is back. Couples on the floor whirl through the Texas two-step, cotton-eyed Joe, heel-toe polka and country swing —even waltzes and foxtrots. A number of clubs offer nouveau westerners free dance lessons—though, as one owner puts it, "the steps are easy to fake." Many of the saloons have live bands, either local groups like Soozie and High in the Saddle, Dale Allen and Pearl Studs or Aged in the Hills, or touring outfits like the Memphis Rockabilly Band or Sleepy La Beef. A few attract such top country-and-western stars as Willie Nelson, Charlie Daniels, Eddie Rabbitt, George Jones, Ronnie Milsap and Tanya Tucker. Says Sam Siam, a Jerusalem-born architect who owns Fool's Gold in Houston: "Sometimes it takes someone from outside your country to be objective. Country music has always been here. It's in everyone's blood." Adds a Denver club manager: "Country-and-western is the classical American music—and

At Manhattan's Lone Star Café

Customers at Chicago's Rodeo down drinks that include Redeye whisky and Rotgut Scotch

everyone looks good in a cowboy hat.

The classier clubs sport Indian rugs, barn siding, hand-hewn beams, potted cactus plants and paintings that are not quite Remingtons. The customers are of all backgrounds and ages, mostly clad in some semblance of western garb. Shepler's, the biggest western-wear store in Denver, reports a 75% increase in sales over the past year. "And most of these people," says a Shepler's department manager, "have never been on a horse in their lives." Manufacturers of cowboy boots (average price: $150 a pair), hats ($70) and other fumadiddle—western slang for fancy duds—are unable to keep up with demand. A typical night errant, Houston-based Oil Company Executive Bob Hull, 37, lays out as much as $500 for the outfit he dons in the evening.

C & W hangouts owe much of their initial popularity to the film *Urban Cowboy*, which depicted John Travolta's cavortings in a Texas honky-tonk. The movie, maintains a Denver saloon customer, "put the social stamp of approval on western style. People realized you didn't have to be a cowboy to go into a western bar." *Cowboy* was shot at Gilley's, a raffish, cavernous 27-year-old saloon in Pasadena, outside Houston. The film helped make its co-owner, C & W Singer Mickey Gilley a millionaire superstar: his recording of *Stand By Me*, from the movie, was on the Top Ten country list for five weeks); his place won last year's Country Nightclub of the Year award, given by the Academy of Country Music. As a result, the regular clientele of "Gilleyrats"—mostly oilfield roustabouts and construction workers—have been joined at the bars (all three of them) by hordes of tourists. The gawkers find the joint a lot seamier and steamier than its movie version. Says one reformed Gilleyrat of

"Don't Shoot the Bull—Ride It"

The mechanical bulls that tempt and toss the urban cowboy sell for $7,500 each, about $5,000 more than they cost Gilley's Bronco Shop Inc. in Houston to manufacture. The bionic beast is mounted on a pedestal and powered by a 5-h.p. electric motor that is operated by remote control. El Toro has graded levels of difficulty, working up from a bovine shimmy designated One to a shake-and-break Ten. The headless, vinyl-and-steel contraption was developed as a teaching aid for rodeo cowboys by New Mexico Inventor Joe Turner, who sold his patent to Saloonkeepers Mickey Gilley and Sherwood Cryer for $70,000 in 1979; it has since cleared at least $1 million profit for the partners, who have sold 400 of the critters.

Saloonkeepers who have installed El Toro claim that it can pay for itself in less than a year. Most places charge $2 a throw; a ride lasts 20 seconds at most. Urged an ad for one Manhattan club: DON'T SHOOT THE BULL—RIDE IT. As a spectator sport, according to Brian Wallace, owner of Boston's Celebration, watching a member of the opposite sex jounce and jiggle "has a very subtle erotic appeal." Bucking the bull is a macho experience for most males, whereas city cowgirls often compare it to dancing—or sex. Says Wallace: "All you need is five or six good-looking girls in tight jeans up on the bull and you've really got a good start on the evening."

Some C & W club owners refuse to install bullpits, in the belief that riding the bull will prove a passing fad. Others are leary of higher insurance rates and injury claims—even though in most places the machine is surrounded by hefty cushioning, and riders are required to sign waivers absolving the owners from responsibility for injury. The very prospect of danger can be a potent spur. Peter Szymanski, 26, a computer technician from Gardner, Mass., took such a bad fall at Boston's Celebration that he had to nurse twelve stitches under his cowboy hat. "It hasn't scared me," he shrugs, relishing his moment of glory. "I knew I was going to get hurt. It was only a question of where and when." Did he plan to ride again? "No problem."

Nighttime cowgirl bucks the odds at Gopher Gulch saloon in Carmichael, Calif.

his old crowd: "If they don't get into at least one scrap, they think their weekend is wasted."

Houston, which had a dozen cactus cabarets in 1975, now has more than 300, few of which care to emulate Gilley's Dodge City style. The most successful, Fool's Gold and San Antone Rose, are in affluent residential areas and cater to Gucci gauchos. A Houston-based conglomerate, McFaddin-Kendrick, has launched a national chain of 40 western barns that mix country music with disco. In April a Fort Worth entrepreneur plans to open a three-acre C & W supersaloon described as the world's largest nightclub. It will be called Billy Bob's Texas and have 42 bar stations on four levels, two 7,000-sq.-ft. dance floors, and ten live bulls, which only professional rodeo cowboys will be allowed to ride. For other patrons there will be calf-roping contests.

In the past year or so, at least 15 saloons have opened in Denver, mostly in the southeast part of town, where singles apartments and condominiums are concentrated. In the San Francisco Bay area, where there are more than 125 of the clubs, prospective two-steppers can dial a special number (652-2792) to find out where the action is. Some newcomers are lured to Detroit's Urban Cowboy, the most successful C & W spread in Michigan, by truck drivers who tout its charms on their CBs.

The Boston area, with a full-time AM country-music station, has about 30 clubs offering C & W entertainment. Mr. McNasty's, a former gay leather bar in Kenmore Square that is now the city's only seven-night-a-week live country-rock place, often has waiting lines on weekends. (Slogan: Famous for good clean fun.) A dark, Dantean cavern that waives the $3 to $4 admittance charge for local cabbies (they help spread the word) and books some of the most popular country-rock acts in the area, McNasty's, according to Owner Rich Thomas, 38, is "a workingman's nightclub." Or as Singer-Model Elizabeth Harrison, 21, puts it: "Disco turns me off because the people are really plastic. When you're here, you feel like everybody knows you. It's really dynamite. There's no competition. You want to dance, you do it. You want to get drunk to the gills, you do it."

Washington is one major city in the nation where a night-blooming cowboy has no place to hang his ten-gallon. The desert will be greened in March when Mike O'Harro, 41, who owns two of the capital's most popular discos, plans to open a C & W establishment in Georgetown. The venture will be aimed at what O'Harro calls "Government superchic, not rednecks." While conservative Washingtonians are more attuned to *Blue Moon* than bluegrass, O'Harro is confident that his Saddletramp saloon will be a boomer. As Ronald Reagan's rancheros take over the town, western chic may be a capital gain. —*By Michael Demarest*

Theater

Power and Lust

MACBETH *by William Shakespeare*

The Vivian Beaumont Theater at Manhattan's Lincoln Center is the dramatic equivalent of Russian roulette. It is played with breathtaking regularity at this house, which in 15 years of fitful existence has never had any precisely defined aesthetic goal or financial stability. As a result, the persisting apprehension is that any given season, even any given production, may be the last.

After Joseph Papp relinquished his caretakership in 1977, the theater was dark for three years. Relit this season under the overall command of Richmond Crinkley, the Vivian Beaumont is gambling on name-brand appeal involving such diverse talents as Woody Allen, Edward Albee and Ellis Rabb. One of the group, Sarah Caldwell, best known for staging operas, makes her Broadway directorial debut with *Macbeth*. While this production may not kindle a blaze of excitement, it is engaging enough to pose no threat of killing off the Beaumont.

Anderman and Anglim in *Macbeth*

Caldwell stresses the lust for power and the power of lust. Her casting emphasizes the second even more than the first. Rarely have two actors so young and so full of animal magnetism played the two key roles. Philip Anglim, best known for his work as John Merrick in *The Elephant Man*, brings to his Macbeth the boundless energy of a fledgling Henry V. The shapely Maureen Anderman makes Lady Macbeth a hot-blooded sex symbol. One can visualize the pair being written up in the gossip columns as smart society's latest darlings and very much on the rise.

This sort of approach does have its drawbacks. The desolating pathos of madness is missing from Anderman's mad scene. Nothing in Anglim's countenance suggests that he has "supp'd full with horrors." But the political core of the play remains intact. *Macbeth* is a politician's tragedy. It is full of the cagey schemes and ruthless deeds by which men seek to attain and hold power, and of the cruel downfall which they court.

Caldwell is willing to sacrifice some of the Shakespeare text for pageantry and graphic effects. The guests at the feast where Banquo's ghost appears are seated on one side of a long refectory table resembling the one in Da Vinci's *The Last Supper*, thus carrying resonances of sacrilege. The crowned heirs of Banquo, foretold by the three witches, march with a stately heraldic tread across a narrow catwalk that spans the upper rear stage like a suspension bridge. In these and other scenes, the director groups and separates her players with a painter's eye. Individual playgoers may cavil at some of the liberties that Caldwell takes with Shakespeare, but few could deny that she represents a fresh, colorful and audacious directorial presence in the theater. —*By T.E. Kalem*

Rake's Reform

THE RECRUITING OFFICER
by George Farquhar

Restoration comedy is famous for its bawdry, but its bounty can be a trifle daunting. It would take a whiz in algebra to resolve all the plot equations in *The Recruiting Officer*, this season's second repertory offering at the Brooklyn Academy of Music. The production reveals grand ambitions and a dearth of acting skills —champagne tastes on a beer income.

It is wisest to focus on the two romantic couples in the action. If the course of true love never does run smooth, it traverses some pretty funny country. The play, dating from 1706, takes place in the sleepy village of Shrewsbury. Captain Plume (Brian Murray), a recruiting officer, has come to the place to rook and hook the local lads into military service.

A rake of renown, Plume stirs the love of Silvia (Laurie Kennedy), who disguises herself in male uniform and eventually hooks him. Plume's best friend, Mr. Worthy (Frank Maraden), is led a mad matrimonial chase by a haughty heiress named Melinda, played in an impish comic vein by Laura Esterman. Bumpkins, worldlings, gulls and wits populate the evening. Toward the end of the play, it becomes evident that Plume is not a womanizing gourmand as he pretends to the world, but a moonstruck child of sentiment who has found in the chaste but frolicsome Silvia his true heart's love. —*T.E.K.*

Law

Discrimination Begins at 40

Older employees invoke a federal law to fight for their jobs

Harold Keane's personnel file contained nothing but plaudits. But when a new boss took over, he wanted his own people and told Keane: "We're reorganizing, and there's no place for you." Keane, 47, a $41,000-a-year director of budgets and administration for Amtrak in Washington, D.C., was dismissed and replaced by a man of 28. Says Keane: "I wasn't going to let them get away with it." With the help of his lawyer, Joseph Guerrieri, he sued Amtrak under the 1967 Age Discrimination in Employment Act, which forbids age-based firings of workers between 40 and 70, and won $202,000 in back pay and damages.

Keane is one of thousands who have invoked the act. Detroit Lawyer V. Paul Donnelly, who has nearly 300 such cases pending in 35 states, sees this job struggle as the "civil rights movement of the '80s." Last year the number of complaints cascading into the federal Equal Employment Opportunity Commission (EEOC) doubled, to 8,000; similar state and local agencies probably received another 8,000. Under the federal law, all complainants must start at the EEOC, which tries to solve problems without filing lawsuits. Many, however, are put off by the commission's 4,000-case backlog and its informal system of mediating disputes. They would rather take their fight to court, which they may do once their claim has been at the EEOC for 60 days.

Donnelly considers three factors in deciding whether he can successfully claim age discrimination: the employee's performance, the reasons for his discharge, if any, and the age of his replacement. One Amtrak official now concedes privately that Keane's boss was too "heavyhanded," but he maintains that the reports in Keane's folder gave far too flattering a picture of his capabilities.

Employers, in fact, often have legitimate reasons for letting older workers go. A company might conclude that a management shake-up is essential, or a firm with excessive overhead might decide that some high-salaried executives are expendable. Amtrak Lawyer Page Sharp stresses the risks inherent in executive-level positions. "If you want security," he argues, "you choose union jobs. But for bigger jobs and bigger bucks, you've got to be amenable to being wiped out by new management." When presented with such pragmatic arguments, however, juries tend to identify with the employee's predicament rather than with management's. Jury trials have been available in most of these cases ever since a 1978 amendment —an especially welcome change to plaintiffs, since many jurors are old.

Harold Keane and Lawyer Joseph Guerrieri

The law does have a key exception: dismissals may be justified if a certain age level is a bona fide occupational qualification. A television actor, for instance, could become too old to play a middle-aged character in a long-running series. Courts have also upheld age ceilings where public safety is at stake, as in the case of bus drivers. Even in such exceptions, deciding at what age to draw the line is a problem. Dan Williams, a senior attorney at EEOC, predicts that ceilings set by municipalities for police and fire fighters will lead to major legal battles.

Those who win are frequently more interested in returning to their jobs than in collecting a settlement, in part because of the sparse market confronting older workers. After his dismissal, Keane sent out 200 applications and did not get a single offer. He obtained a real estate license, but then high interest rates ruined the housing market. He moved from a five-bedroom house to a three-bedroom apartment and sold the family car, yet still could not keep up with his bills. Nevertheless, like many others in the same situation, what bothers him most is the smear on his record. This week he planned to seek a court order directing Amtrak to reinstate him. "It wasn't right," he says. "I want to be completely vindicated." ■

Milestones

BORN. To **Malcolm McDowell,** 37, British actor *(A Clockwork Orange, Caligula),* and his wife of four months, **Mary Steenburgen,** 27, American actress *(Melvin and Howard);* their first child, a daughter; in New York City. Name: Lilly Amanda. Weight: 8 lbs. 3 oz.

DIED. Price Daniel Jr., 39, lawyer and reform-minded politician, onetime speaker of the Texas house of representatives and son of former Texas Governor and ex-U.S. Senator Price Daniel; of a gunshot wound inflicted by his wife Vickie, who had filed for divorce in December on the grounds that their four-year marriage was "insupportable because of discord or conflict of personalities"; in Liberty, Texas. No charges have been filed, pending an investigation into the cause of the shooting.

DIED. Samuel Barber, 70, American composer whose lyrical music won him international popularity; of cancer; in New York City. Celebrated in his 20s for works like the *Overture for the School for Scandal,* he later won Pulitzer prizes for his opera *Vanessa* and for *Piano Concerto No. 1.* His grand effort, *Antony and Cleopatra,* was a rare failure for a composer who loved and understood the human voice and stood apart from avant-garde trends.

DIED. Russell Procope, 72, dapper, goateed jazz clarinetist and saxophonist who was a fixture in the Duke Ellington Orchestra; in New York City. After playing with Chick Webb, Fletcher Henderson and the John Kirby Sextet, Procope joined the Duke in 1945, bringing his low, mellow sound to such Ellington compositions as *4:30 Blues* and *Swamp Goo.*

DIED. Bernard Lee, 73, British character actor who often played policemen or soldiers in his more than 100 films *(The Third Man, The Detective)* and who was best known for his portrayal of "M," the spy chief who gives James Bond his orders in nearly all the Bond movies released so far; of cancer; in London.

DIED. Marguerite Oswald, 73, mother of the presidential assassin Lee Harvey Oswald, who bitterly contested the Warren Commission's conclusion that her son had acted alone in shooting John F. Kennedy in Dallas on Nov. 22, 1963; of cancer; in Fort Worth, Texas. A loquacious, self-dramatizing woman, she once proclaimed: "If you research the life of Jesus Christ, you find that you never did hear anything more about the mother of Jesus after he was crucified."

The Banality of Deceit

OTHER PEOPLE'S WORLDS *by William Trevor; Viking; 243 pages; $10.95*

William Trevor is an Irish-born novelist and short-story writer highly regarded for the understated manner in which he suggests that "real life" and other illusions may be dangerous to one's health. His deadpan style disguises a compassion for the peevish, the confused and the lonely. *The Old Boys* (1964) and *The Boarding House* (1965) had funny moments; yet the novels' deeper impressions were made by sympathy for the elderly and middle-aged attempting to preserve a fleeting respectability. *The Love Department* (1967) rollicked along on the efforts of a lovelorn columnist to stamp out adultery, but the book is remembered best for a punishing point: seducers can be staggering bores. The abysmal selfishness suffered by the unloved haunts Trevor's previous novel, *The Children of Dynmouth* (1977), in which a 15-year-old boy turns into a blackmailer.

PAT GOBEN

William Trevor

Life and other illusions may be dangerous to one's health.

That little monster appears to have grown into Trevor's newest menace, Francis Tyte, 33, a bit-part actor, pathological dissembler, bigamist and homosexual prostitute. Tyte's face, lean and handsome in the Leslie Howard mold, is known to millions of British telly viewers. He is the fellow in the tobacco ad who nonchalantly puffs a pipe while military officers strut by, sniffing.

At one time or another, a number of people believed that they knew him better. A 50-year-old dressmaker in Folkestone married Tyte in 1965, let him do the shopping and the housework and then threw him out for unspecified acts. He then enchanted two elderly sisters in Cheshire, moved in with them and stole their money. In London he seduced a shopgirl who, twelve years after she bore his daughter, still hopes he will marry her.

As *Other People's Worlds* opens, Tyte's meandering trail of deceit has taken him to the Gloucestershire town of Stone St. Martin, where he is engaged to Julia Ferndale, 47, widow of an army officer. The japonica is blooming, the folk politely buzz about Julia's young semi-celebrity, and her mother, Mrs. Anstey, reads Dickens and feels vaguely uneasy about her future son-in-law.

With good reason. Behind his boyish smile, Tyte is one of the crawliest characters in recent fiction. He specializes in making a mockery of privacy. "Make-belief is all we have," he tells another actor, a woman who plays the part of an infant murderer in a television play. Tyte's personal script usually starts with the story that he was orphaned when his parents were killed in a train crash. In truth, Mom and Pop are in a retirement home that Francis never visits. Having eased his way on sympathy, he plays it by ear and keeps an eye open for opportunities. " 'You'll bring your dragon brooch?' he said, speaking of their honeymoon. 'And your little sapphires and your seed pearls?' Surprised, Julia replied that jewellery could be a nuisance when you were travelling. 'I want to show you off.' He smiled at her."

Of course, Julia takes her trinkets on the wedding trip to Italy. Of course, Francis appropriates them and runs off to Germany, though not before having his new wife sign the jewelry over to him. Months later, he writes requesting money. She sends it, having decided that "she would live her life as best she could, still pitying a wreck of a human being who had taken everything away from her, still longing to forgive because it was her nature to."

Is Julia a fool or a saint? Is there a difference? One suspects that William Trevor does not think so, though he is too careful a novelist to ruin his effects with philosophical inquiry. His effects are startling in their range and complexity. Trevor can be sharply funny, as in his description of a television director: "Attired in what appeared to be the garb of a plumber but which closer examination revealed to be a fashionable variation of such workman's clothing: his dungarees were of fawn corduroy, his shirt of red and blue lumberjack checks. He wore boots that were unusual, being silver-coloured; and beneath each arm-pit, in a shade of fawn that matched his dungarees, were sewn-on patches, appearing to symbolise a labourer's excretion of sweat."

Scenes of suburban serenity are offset by vignettes of urban depravity: Tyte drinking tea, chatting and gardening in Stone St. Martin is juxtaposed with Tyte turning tricks in a London parking lot. The most pathetic victims of his lies are the seduced shopgirl and his neglected daughter, the former sliding into alcoholism, the latter turning into a potentially dangerous sociopath like her father. Trevor has an uncanny understanding of love, delusion, hope and, in Tyte's case, the buried anger that "had driven him in search of presents." It is a tribute to the author's moral instincts and talent for psychological realism that one can sympathize with Tyte and also want to wring his neck. —*By R.Z. Sheppard*

Excerpt

"Francis walked by the railings of Green Park, not taking a taxi, still practising the frugality he had developed after his failure to appropriate the dressmaker's money. It wasn't important that the idyll had changed again; what mattered was he had no friend. He'd gone on holidays with friends, but always there'd been sulkiness and tears. 'You're a nutter, Francis,' a girl he'd thought to be sympathetic had pronounced six months ago in Cleethorpes . . .

His melancholy deepened as he progressed through the London night. People left a gambling club near Hyde Park Corner, young men in evening dress shouting and laughing, girls laughing also, all of them tumbling into taxis, going on to somewhere else. For a moment Francis hated them. He stopped in his walk, indulging his dislike, listening to the shrill voices, the late-night cries of people determinedly having a good time. He wouldn't have cared if all of them had been shot down dead, if gunmen had appeared from the Mayfair doorways and opened fire in the orange street light."

Castaways

HOUSEKEEPING
by Marilynne Robinson
Farrar, Straus & Giroux
219 pages; $10.95

Most small American towns have at least one: the "odd" house that everyone knows and gossips about, the old place going to seed on the outside while a hidden, perhaps unimaginable life transpires behind drawn shades or yellowing lace curtains. A home haunted by its occupants fascinates the neighbors and many, many writers; the phenomenon crops up from Poe to Faulkner to Harper Lee and beyond. That last category now includes Author Marilynne Robinson. Her unsettling first novel deals with the fall of yet another house, but from an unusual vantage. The story is told by an insider who helps pull down the roof.

Ruth Stone and her younger sister Lucille are deposited as small children at their grandmother's house in Fingerbone, an isolated community somewhere in Idaho. The girls' mother then drives a borrowed car into the nearby lake and joins her father, who had drowned there years earlier. Ruth remembers: "My mother left me waiting for her, and established in me the habit of waiting and expectation which makes any present moment most significant for what it does not contain." Fingerbone ("a meager and difficult place") and the vast Northwest surrounding it give the growing girl plenty of emptiness to ponder.

When their grandmother dies, care of the castaway daughters eventually falls to their Aunt Sylvie, who comes back to Fingerbone from whereabouts and husband unknown. She is a gentle, oddly weatherless woman who poses no threat in the way of harshness or undue discipline. The girls like her, and worry: "Lucille and I still doubted that Sylvie would stay. She resembled our mother, and besides that, she seldom removed her coat, and every story she told had to do with a train or a bus station." The three settle into a kind of amiable anarchy. They eat what and when they please: "Sylvie liked cold food, sardines aswim in oil, little fruit pies in paper envelopes." Leaves and debris gather unswept in the corners of rooms; piles of old newspapers, magazines, tin cans and bottles begin mounting in the parlor.

Sylvie glides effortlessly into ever more erratic behavior. She spends mesmerized hours staring into the lake that claimed her father and sister. She studies the local freightyard and checks on the hobos and transients riding through. The girls find her one day asleep on a bench near the center of town, a newspaper propped over her face. At home she falls into long silences, plays solitaire during the day and comes alive at night, keeping the lights out and letting the darkness in: "Sylvie in a house was more or less like a mermaid in a ship's cabin. She preferred it sunk in the very element it was meant to exclude."

Lucille finally senses how peculiar the three of them look to the town and escapes from "Sylvie's dream," moving in with a lonely but respectable schoolteacher. Ruth stays, increasingly convinced that "we are the same. She could as well be my mother." Well-meaning townspeople decide to save Ruth for ordinary society and have Sylvie declared unfit to raise her. When the success of this crusade seems assured, the aunt and niece decide to keep their house no longer.

Sylvie and Ruth are passive, quicksilver characters, prone to skittering off at a hint of pressure. Having created wraiths without motives or accountable pasts, Author Robinson left herself a big problem: how to nudge them through a plot, make them interesting, worthy of attention, when they seem so indifferent about themselves. She solved it with language.

Marilynne Robinson
Portraying a home haunted by occupants.

Ruth's narrative is as colorful as she is pallid. For a self-confessed dreamer with a tenuous hold on reality, she shows a keen sense of the here and now, and of the right words to record it. She notices "a big green couch so weighty and shapeless that it looked as if it had been hoisted out of 40 feet of water." She registers the sounds of dawn: "There were cries of birds, sharp and rudimentary, that stung like sparks or hail." And the look of dusk: "The sky glowed like a candled egg."

Housekeeping has a few slack moments. Ruth occasionally meditates on a scene without sufficiently setting it. She sometimes meanders. But this first novel does much more than show promise; it brilliantly portrays the impermanence of all things, especially beauty and happiness, and the struggle to keep what can never be owned. Robinson, 37, who lives with her husband and two sons in Massachusetts, grew up in Sandpoint, Idaho, before majoring in English at Brown and earning a Ph.D. at the University of Washington. Though she says that *Housekeeping* is "totally not autobiographical," the novel's vivid landscapes betray the presence of an author who lived among them, just as the prose points to someone who studies and loves language. She is now working slowly on a second novel, writing paragraphs here and there when the spirit moves her. "It will come when it comes," she says. That is a prediction, but readers may wish to take it as a promise. —*By Paul Gray*

Editors' Choice

FICTION: The Book of Laughter and Forgetting, *Milan Kundera* • A Book of Women Poets from Antiquity to Now, *edited by Aliki Barnstone and Willis Barnstone* • The Collected Stories of Eudora Welty, *Eudora Welty* • Crackers, *Roy Blount Jr* Earthly Powers, *Anthony Burgess* Italian Folktales, *selected and retold by Italo Calvino* • Prize Stories of the Seventies: From the O. Henry Awards, *selected by William Abrahams*

NONFICTION: Ambition, *Joseph Epstein* American Dreams, *Studs Terkel* The Magazine Maze, *Herbert R Mayes* • Naming Names, *Victor Navasky* • Walt Whitman, *Justin Kaplan* • "Watch Out for the Foreign Guests!" *Orville Schell* Ways of Escape, *Graham Greene*

Best Sellers

FICTION

1. The Covenant, *Michener (1 last week)*
2. Firestarter, *King (2)*
3. Side Effects, *Allen (4)*
4. Answer as a Man, *Caldwell (5)*
5. Unfinished Tales, *Tolkien (3)*
6. The Key to Rebecca, *Follett (6)*
7. Rage of Angels, *Sheldon (7)*
8. Come Pour the Wine, *Freeman (10)*
9. The Fifth Horseman, *Collins & Lapierre (8)*
10. The Hidden Target, *MacInnes*

NONFICTION

1. Crisis Investing, *Casey (2)*
2. The Sky's the Limit, *Dyer (3)*
3. The Coming Currency Collapse, *Smith (6)*
4. Cosmos, *Sagan (1)*
5. Nice Girls Do, *Kassorla*
6. You Can Negotiate Anything, *Cohen*
7. Betty Crocker's International Cookbook (10)
8. Richard Simmons' Never-Say-Diet Book, *Simmons*
9. Money Dynamics for the 1980s, *VanCaspel*
10. Time Enough to Win, *Staubach (4)*

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Dieudonné as Bonaparte: gestures, looks and poses etching the silent screen

Napoleon: An Epic out of Exile

After 54 years, a classic is triumphantly restored

On April 7, 1927, Charles de Gaulle and his friend, André Malraux, saw the Paris premiere of a new movie. At its end, the two great-men-to-be were on their feet, cheering. Malraux remembered De Gaulle waving his long arms and crying, *"Bravo, magnifique!"* It is said that De Gaulle never forgot the images of glory he found that evening in Abel Gance's epic reconstruction of another young soldier's climb to greatness, *Napoleon*.

Unfortunately, another movie captivated audiences that year: *The Jazz Singer*. The first talkie totally obscured the late, great silents like *Napoleon*. The Gance film was also dauntingly long. Though De Gaulle saw a 2½-hour version, the movie Gance originally intended to release was something like six hours in length.

Though various cuts of the film circulated through the years, it was not until last week, in Manhattan's Radio City Music Hall, that the public got a chance to see a *Napoleon* that can be regarded as definitive. Close to 4½ hours in length, it is a reconstitution by Kevin Brownlow, a talented English film historian (*The Parade's Gone By, Hollywood: the Pioneers*), who spent a decade painstakingly collecting bits and pieces of film. It is appropriate, perhaps inevitable, that Brownlow's work should be presented by Francis Ford Coppola (*The Godfather, Apocalypse Now*), a modern inheritor of the epic tradition. He has brought a showman's flair to the project, commissioning a score from his composer father, Carmine, who led the American Symphony at last weekend's premiere. It is—as silent film scores always were—full of quotations from the masters and plenty of bombast. (After a few more special evenings in major cities, the film will go into general release.) Anyone interested in the history of the cinema will want to see *Napoleon*. Even those less devoted to film, or less concerned than Gance was with French national mythology, will find plenty to beguile and dazzle them here. They literally don't make 'em like this any more

The most vivid element in Brownlow's reconstruction is a concluding 18-minute triptych in which three well-synchronized images are simultaneously projected on a suddenly expanded screen, as Napoleon is preparing to lead his army into Italy and the campaign that made him a world figure. By another name, this is Cinerama, though it is 30 years ahead of that gimmick's invention. It is also crudely stirring, and just about as big a finish as any movie has ever had.

This episode alone is not what makes *Napoleon* memorable. That quality derives from its shooting and editing. D.W. Griffith demonstrated the limitless scope of the screen's ability to tackle big scenes in *Intolerance* (1916). Eisenstein, in pictures like *Battleship Potemkin* (1925), showed how the juxtaposition of disparate images could create, through montage, meanings that were more felt than consciously understood. Gance's great contribution was to set the camera free of the tripod, making it a participant in, as well as an observer of, the action. His tracking shots were unprecedented.

There is wonderful hand-held camera work in an opening sequence where a young Bonaparte first indicates his strategic gifts in a schoolboy snowball fight. But Gance was capable of hanging a camera on anything—a galloping horse, a firing cannon, a storm-tossed boat—thereby forcing emotional involvement with what otherwise might have been mere tableaux. His *tour de force* is a sequence in which the pitching of Napoleon's boat as he escapes his Corsican political enemies is crosscut with scenes of riotous action in the Paris Assembly in which the camera is made to rock as it does when it is on the ocean. Gance's experiments with quick-cut editing—split-screening, double-printing, creating images that register almost subliminally—prefigure a style that has only now come into fashion.

Napoleon—like all the great silent epics—is a triumph of pure cinematic style over conventional expectations. There is no "characterization" in the usual sense, though in the title role Albert Dieudonné gives a great silent performance of looks, gestures and poses. Mostly, however, people are used as unparticularized symbols. Nor are there many dramatically pointed scenes, only groupings in which it is up to cameraman, editor and director to ferret out (and impose) meaning—to "photograph thought," in Griffith's phrase.

In short, it is purely through the resources of his medium that Gance (now 91, and too ill to attend last week's opening) involves us in large and distant events. His camera makes an audience feel his own sense of the movie's possibilities when the medium—and he—were young and full of heroic ambition. —*By Richard Schickel*

Director Gance greeting Composer-Conductor Coppola

De Gaulle, for one, never forgot those mute images of glory

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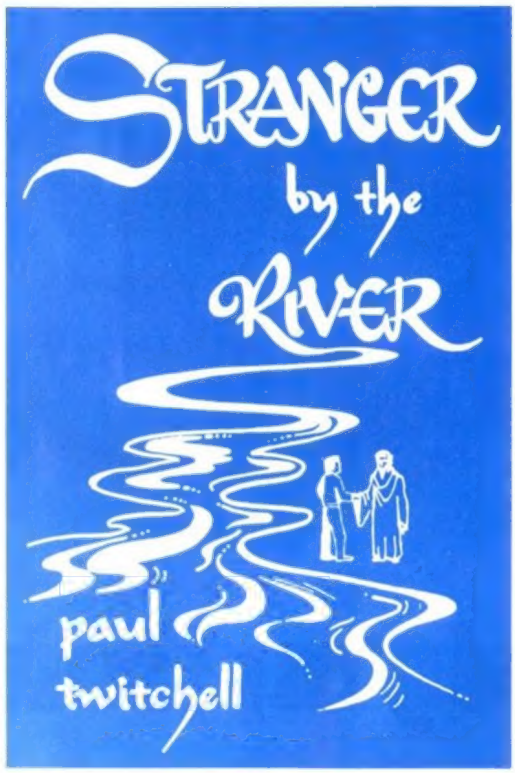

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